

inside... PUNDIT LOOKS AT 2009 RESOLUTION FOR RETAILERS • SPRING MERCHANDISING • FLORIDA SPRING PRODUCE • GREENHOUSE PRODUCE
TORONTO REGIONAL PROFILE • VALUE-ADDED POTATOES • MEXICAN MANGOS • CELERY • PACKAGED NUTS • LABOR SOLUTIONS IN THE FLORAL DEPARTMENT

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Staying True To Food Safety

Even While Pursuing "Value," Retail
Leaders Must Hold Fast To Principles



fresh healthy quality



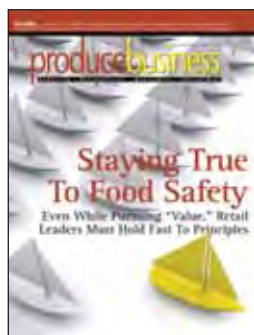
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PRODUCE QUIZ



THIS MONTH'S WINNER:

Mark Yep

Produce Buyer
Valley Food Super Center
Kerman, CA



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How To Win

To win the *PRODUCE BUSINESS* Quiz, the first thing you have to do is enter. The rules are simple: Read through the articles and advertisements in this issue to find the answers. Fill in the blanks corresponding to the questions below, and either cut along the dotted line or photocopy the page, and send your answers along with a business card or company letterhead to the address listed on the coupon. The winner will be chosen by drawing from the responses received before the publication of our April issue of *PRODUCE BUSINESS*. The winner must agree to submit a color photo to be published in that issue.

It's the buildup of excitement from the change of seasons that keeps Mark Yep, produce buyer, Valley Food Super Center, a single-store operation in Kerman, CA, in the business. "It's all about making sure your displays are colorful, enticing and match the changing seasons," he says. "If we're preparing for Valentines Day, our emphasis is on floral. In the summer, we like to create large, colorful displays focused on watermelon sales."

Valley Food Super Center is a family owned and operated grocery store started by Mark's father, Henry, in 1955. "I've been in the business for 40 years," notes Mark. "I work mostly in the grocery department and also overlook the produce department."

A *PRODUCE BUSINESS* reader since its inception, Mark enjoys reading about current trends, new products and where various commodities originate. "We're getting products year-round and it's very helpful for keeping up with that."

As the winner of the *PRODUCE BUSINESS* Quiz, Mark wins an iPod/iPhone dual alarm clock radio.



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- 2) Who is the office manager for Ippolito Produce? _____
- 3) What company sells the Champagne Mango? _____
- 4) What is the phone number for Duda Farm Fresh Food? _____
- 5) What award was given to Blue Book Services? _____
- 6) What are the four varieties of tomatoes grown by King's Choice Tomatoes? _____

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The ABC's Of Getting More Fruits And Vegetables In School Meals

As the industry looks at its public policy plate for the coming year, increasing fruits and vegetables in school breakfast and lunch should be a top nutrition policy priority.

2009 provides a unique opportunity to improve school meals, because all child nutrition programs, including school breakfast and lunch, will be reauthorized by Congress this year. Similar to the Farm Bill, child nutrition programs are only reauthorized by Congress every five years, so the time to ask Congress to improve the healthfulness of school meals — with an emphasis on fresh fruits and vegetables — is now!

By law, the School Lunch Program and School Breakfast Program must be consistent with the latest Dietary Guidelines for Americans. However, school meals currently contain fewer fruits and vegetables than recommended. To meet 2005 Dietary Guidelines, school breakfast should include at least two servings of fruits and/or vegetables while school lunches should include at least three. However, school meals do not meet these guidelines.

During the average day, American children eat less than half of the fruits and vegetables recommended for good health. Taking into consideration the 30 million children that eat school lunch every day and all of the school meals that contain inadequate produce servings contributing to children's overall low intake, including more fruits and vegetables in school meals will help increase children's consumption.

To reverse this trend, the industry should focus on both increasing the availability of fresh fruits and vegetables in school meals and creating school-based strategies like offering salad bars in schools, and offering more fresh-cut fruits and vegetables as snacks that result in kids actually eating

more fruits and vegetables.

One of the simplest and most direct ways to increase kid's fruit and vegetable con-

United Fresh Child Nutrition Priorities:

- 1. A Salad Bar in Every School**
- 2. \$10 million/year for refrigerators, salad bars and other cafeteria equipment**
- 3. Expand USDA/AMS commodity purchases to include fresh and fresh-cut fruits and vegetables**
- 4. Increase the reimbursement rate for school meals**

sumption is to offer a school salad bar right in the cafeteria. United Fresh Produce Association (UFGA) and others firmly believe that all schools should have a salad bar, if feasible, and that the U.S. Department of Agriculture (USDA) should not only promote school salad bars but also provide incentives and training to schools. Many schools would love to have a salad bar but often lack the financial resources to purchase the salad bar equipment. Also, many schools do not have adequate refrigerator space to properly store fresh fruits and vegetables during off-hours.

Seeking to rectify this situation, United

Fresh is asking Congress to provide \$10 million per year so schools can purchase needed equipment, such as refrigerators and salad bars, funding that low-income schools should receive first. For instance, \$10 million per year would enable 1,000 schools to purchase walk-in refrigerators and 2,500 schools to purchase salad bars.

Many schools want to serve more fresh produce during breakfast and lunch periods, yet lack a cost-effective way to make these items more available. One possibility is to expand USDA's Agricultural Marketing Service's (AMS) commodity purchases of fruits and vegetables. Over the last few years, only 3 percent of USDA's commodity purchases of fruits and vegetables were for fresh fruits and vegetables, resulting in a large gap between what schools are asking for and what AMS is actually purchasing.

It should be noted that the 2008 Farm Bill doubled the amount of funding available annually to AMS for the purchase of fresh and fruits and vegetables for nutrition assistance programs, including schools.

AMS is planning a small purchase of fresh-cut sliced apples this school year and many in the industry have been actively involved. This is a good start, but much more needs to be done. Congress, alongside the produce industry and allied advocates, must urge AMS to move quickly on these initiatives and pressure incoming Secretary of Agriculture, Tom Vilsack, to provide leadership to transform commodity purchases and bring them into the 21st Century.

Increasing the current reimbursement for schools meals to reflect rising food, labor and transportation costs is also critically important. Over the next year, United Fresh will work closely with other nutrition advocates in Washington to urge Congress to add more funding to improve the healthfulness of school meals.

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Reader Service # 3

2009 Resolution For Retailers

From Jim Prevor's Perishable Pundit, Dec. 25, 2008



The year end holidays are a time for a break, but also a time for reflection.

On the one hand, everyone in this industry has something to be thankful for. Selling a non-discretionary product is just about the best place to be in a recession. We've been making this point for the last few months in *PRODUCE BUSINESS* magazine. You can read the columns here:

Despair Overstated (October 2008, page 14)

Produce Is A Silver Lining (November 2008, page 8)

Counting Our Blessings (December 2008, page 8)

Yet we have a very challenging situation in produce right now, one that will require structural change for the industry to thrive. Currently, our very best producers, packers and shippers are being put under exceptional stress. The industry is bifurcated. We have a top tier of producers who have taken to heart the admonitions of buyers and trade associations and have taken on the burden of supply chain improvement. These are the leaders in food safety, sustainability, traceability and other standards. Yet these leaders are not getting thanks; they are getting beat up and we need to stop it.

The problem is that the produce industry still has a large secondary producer capacity that operates oblivious to all these supply chain standards and initiatives.

At this moment in history, most retailers feel the necessity of offering "value" to consumers. But they don't mean value broadly considered. They mean price.

So what these buyers are doing is pushing the top vendors to meet the price of the "irregular" sector of the industry. This is, however, unsustainable.

Meeting supply chain responsibilities is not cheap, and if suppliers that have made the investment to meet these high standards have to compete with companies that have not,

the best producers in the industry will realize subpar returns and, in time, will be unable to sustain the whole business model.

We think the focus of the industry has to shift from industry pronouncements about traceability, sustainability, food safety, etc., to ensuring commitments from buyers to constrain their supply chains to be certain that top quality producers are not forced to compete with producers that are not fulfilling supply chain responsibilities.

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Consumers are depending on retailers to deliver the best value, but if the product is in the store as a result of a waived food safety requirement or decision to postpone a sustainability review for a year or comes in vulnerable, without a proper traceability trail, then consumers are being cheated. They are not being given the value they expect — they are just being given a cheap price.

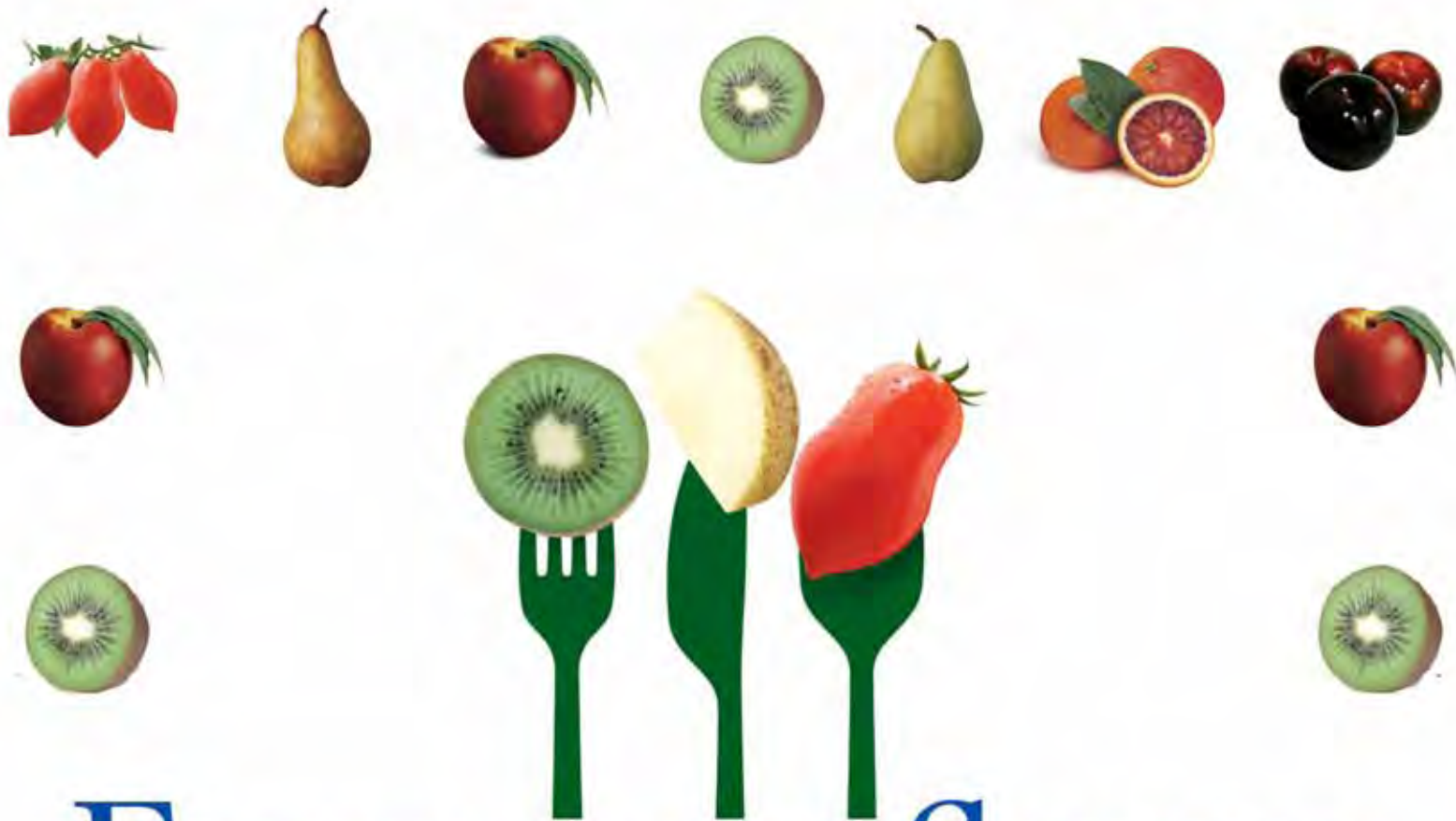
If the industry can't find a way to deal with this reality, one suspects that a more activist government will see an opportunity to flex its muscles.

Perhaps our 2009 New Year's Resolution ought to be that we, as an industry, will protect our consumers against elastic standards so that consumers can know they get the invisible product quality they expect, the quality producers know they won't be undercut by competitors not expected to meet

the same standards and retailers know they can always wear their white hats as a defender of the consumer and customer of the best suppliers.

At this time of need, it is time for retailers to donate their black hats, the ones retailers wore when pummeling good shippers to the ground, to some association of needy undertakers. Here in the industry, the resolution should be that we won't be needing them anymore.

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Reader Service # 75



The Squandering Of Goodwill

It is now public knowledge that the California Avocado Commission and expenditures by many of its employees have come under scrutiny. The California Department of Food and Agriculture Audit Office has forwarded its audit to the California State Department of Justice. It is unknown whether they will decide to press charges.

In many ways, the manner in which the issue surfaced was regrettable. The Audit Office Report and various news reports seem to have conflated many different issues, including compensation for the CEO of the commission, benefit packages for employees, taxation issues and how outside contractors were paid. Media reports of the Commission CEO's \$400,000 salary, plus some employees being given \$10,000 for buying cars and allowed lavish expenses created the impression of, as *The New York Times* said, "...a kind of free-spending, avocado-gone-wild farm party."

The Report explains that then-CEO Mark Affleck charged on the company credit card expenses that were of a personal nature. He acknowledged this. However, instead of reimbursing the Commission with a check, the Report indicates Affleck said he had day laborers help out at his home office and he paid them in cash. He then offset this expenditure against the debt he owed the commission. As evidence that he did this, he submitted ATM withdrawal receipts showing that he withdrew cash from his personal account.

Now one does not have to be an expert in financial controls to see this system was problematic: First, what kind of day laborers are required for a home office? Second, who are these people the Commission paid? Third, if they were paid \$600 a year or more, the law requires a 1099 be sent. Apparently, none were sent. Fourth, what was to stop Mark Affleck from just withdrawing the money and putting it in his pocket? Fifth, why not the most basic of controls — at least make each laborer sign a receipt; at least require a diary of what each worker did?

Do we know that Mark was lying and pocketed this money? No, of course not. Perhaps the story is 100 percent true. If it is true, it shows a kind of callous disregard for basic business practices and a kind of contempt for the avocado growers who pay 3 percent of their hard-earned money to the Commission.

The particulars of this situation are titillating, and our gut is that Mark Affleck simply was cut too much slack by a board that was willing to let this long-established and widely acclaimed executive have his way. The only conceivable explanation for allowing practices that no business person would allow in his own operation is that the board of directors really didn't care if Mark Affleck took something extra for himself or felt the need to offer his executives

an extra incentive.

This situation, though, will cost the industry a great deal because it will cause a breakdown in trust in many boards and associations across the industry. It will do so because the situation is more complicated than just saying that one man was dishonest.

When you read the whole Report, despite everyone finding legally acceptable explanations for their actions, what you really take from it is a cultural divide between the broader avocado industry, which wanted a salary freeze and budget cuts after some bad crops, and a chief executive and some board members who were "sophisticated," and thus understood the need for "incentives."

This divide was expressed perfectly in a memo that was circulated about a "2007 Auto Benefit Plan" in which Mark Affleck

explained: "...the job market for senior executives is extremely tight... it's my job to closely monitor... for morale and job satisfaction... I found a significant, indeed urgent, need to boost morale and make sure CAC's Senior Staff Team does not leave the Commission this year with compensation frozen."

The memo went on to give one-time-only grants to key employees for \$10,000 to buy or lease a car and non-accountable monthly auto allowances of up to \$1,990 plus another non-accountable grant of \$750 a month for fuel.

Avocado growers have had to deal with fires, freezes, excessive heat, cutbacks on water use and competition from imports. If told that senior staff had so little sympathy for the growers

that they were unmotivated and wanted to leave due to a wage freeze, we are certain most of the growers would have let them go.

Some powerful board members who believed otherwise, instead of being willing to make their case in front of their fellow growers, were willing to acquiesce to a subterfuge. Basically those who thought themselves more knowledgeable and sophisticated announced salary freezes while turning a blind eye to what was actually happening.

There has often been a problem with a cultural gap between growers and the staff of commissions and associations. A good case can be made that the California Iceberg Lettuce Commission was eventually voted out of business because it elected to be located in Monterey, rather than in Salinas, and from that decision flowed a mass of cultural issues that were never satisfactorily resolved.

In the case of the California Avocado Commission, however, the gulf is not only staff vs. growers but growers against one another. That divide makes cooperative efforts such as the California Avocado Commission difficult to initiate and sustain. Less cooperation will ensue and that will enormously complicate the future of industry efforts to help growers.

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In the case of the California Avocado Commission, the gulf is not only staff vs. growers but growers against one another.

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Opportunity For Produce In Food Cost Hikes

The fresh produce department occupies the most valuable position in supermarkets. I choose these words carefully because this position is more than just the real estate. It's a position combining profitability, image-setting for the whole store, nutritional appeal, a plethora of appealing cultural flavors in our melting pot society and the frequency of shopper visits, as produce is both fresh and perishable. As the produce department goes, so goes the store.

Profit margins aside, the department's stocking of hundreds of unique produce items provides diversity to satisfy wide-ranging consumer tastes and preferences. Such diversity captures both sales of staple fruits and vegetables and lower-volume specialty items, adding to the department's profit potential. Its potential is also seen as a bright spot for retailers and the entire produce industry amid the dreariness of today's rising food costs storewide. Remember too that supermarkets have been the beneficiaries of greater customer traffic as people eat out less and eat at home more.

Consumer research conducted for Produce Marketing Association (PMA) by Opinion Dynamics Corporation in September, 2008 indicates that despite a clear perception that fresh produce prices are on the rise, most consumers are reluctant to cut back on their fresh fruit and vegetable purchases. In fact, among the 500 consumers questioned in this national telephone survey, a full 70 percent of the sample either maintained their fresh produce spending during the three months prior to September or actually bought *more* fresh produce. Consumers seem to recognize the value of produce in managing food costs by downsizing or eliminating higher priced proteins in favor of retooling household menus with more innovative uses of the wide variety produce offers.

Consider that an overwhelming 88 percent of consumers surveyed say per-pound prices for fresh fruits and vegetables rose in June, July and August 2008. Yet in this same period, 26 percent of them say they have purchased more fresh fruits and vegetables. In addition, 56 percent of the consumers reported not making trade-offs about what to buy or not buy in the produce department as a result of price increases. PMA members will find additional insight in the full research report, which is available through PMA's Solutions Center.

Furthermore, consider the recommendation of the Dietary Guidelines for Americans, which states that fruits and vegetables, along with grains, are the only food groups that people should be eating more of, not less. These guidelines, combined with the economic and nutritional value fruits and vegetables offer, present an ideal opportunity to increase produce's share of the plate. Imagine shrinking waistlines and reduced obesity resulting from improved health as Americans eat more fruits and veggies to control their food costs. Think of how this should bring new meaning to "tightening one's belt" during a recession.

Americans enjoy the lowest percentage of disposable income spent on all food, and we're now seeing that cheap and plentiful eventually has a higher price long-term. The reality of increased food costs indicates that cheap is not sustainable, whether for our farmers, for our environment, or for consumers.

Yet, at the same time, within the competitive marketplace of all foods, what we offer in fresh produce is so superior that we should be promoting that advantage in marketing our products. Because the fresh fruit and vegetable industry already enjoys a high level of product diversity, consumer loyalty, health community support and product affordability

Our industry's opportunity during economic market disruptions could be as bright as the sun that nourishes our crops.

unmatched by any other food category, our industry's opportunity during economic market disruptions could be as bright as the sun that nourishes our crops. Strategically, we must ramp-up our communication of all the benefits of fresh produce, which have led to our shopping-cart staying power during these difficult times.

To ensure you are attuned to our changing economy and the message points that resonate most with customers, I encourage you to attend this year's PMA Produce Solutions Conference, to be held in Nashville, TN, in March. Attendees will learn much more about the impact that economic market disruptions are having on the produce supply chain, and how to turn these obstacles into opportunities. After all, many great innovations and opportunities are sparked by the greatest disruptions.

We all must be on the lookout for opportunities everywhere and anywhere, including making sure we have an up-to-date understanding of our consumers' perceptions. Most fresh fruits and vegetables appear to be among the last things consumers are willing to sacrifice from their grocery lists. This is a unique opportunity that could maintain — and perhaps even boost — produce department sales, and in the process lead to healthier Americans. Consider it a win-win situation.



Will Consumers Revalue Produce?

One of the reasons we write this column each month is to discuss the uses and abuses of research. Bryan's column gives us an excellent chance to do that as it brings to mind nothing so much as the haunting voice of Dinah Washington exclaiming, "What a Difference a Day Makes."

The PMA research is quite recent and under normal circumstances would be quite useful, but these are not normal circumstances. Lehman Brothers collapsed on September 15, 2008. The psychological blow of seeing this iconic name disappear and the real loss of stock market value that followed in the wake of its closure makes any consumer sentiment gathered before that date highly suspect.

The economy is battled on two fronts. First with a recession, there is rising unemployment and thus less spending. Second, and probably more important in its macro effect, because real estate is down and most people own homes with a mortgage, their equity in their homes is way down. In other words, a person who owned a \$500,000 house with a \$300,000 mortgage had \$200,000 in equity. If value of the house drops 20 percent in price, to \$400,000, the homeowners' equity drops 50 percent to \$100,000. Add in serious drops in the value of 401-K plans and we have consumers determined to rebuild their savings.

Now everything Bryan mentions is correct. Some people spend such a small portion of income on fresh produce that consumption, for these people at least, is unlikely to be affected by the economy. It is also quite true that fresh produce is cheaper than most proteins so, certainly, some people will "trade down" to fresh produce and save money.

The problem is not that any of this is wrong; it is just incomplete. Yes, produce is cheaper than protein but it is significantly more expensive than cheap starches such as macaroni or rice. There is a reason why restaurants often serve a big hunk of meat — that is how consumers judge value — and a big mass of mashed potatoes — that fills the

plate cheaply — and then add a couple spears of asparagus and a cherry tomato for color.

So, logically, although some will trade down to fresh produce from protein, others will trade down from fresh produce to starches, and we have no real data to judge the interplay of these forces.

Besides, people don't have to go from fresh produce to pasta; they could stop at canned and frozen produce along the way. After all, those Dietary Guidelines for Americans recommend canned and frozen just as adamantly as fresh. Not only are canned and frozen typically less expensive than fresh, these products eliminate for consumers the risk that product will go bad. In tough times, that is a risk many consumers may be hesitant to take.

One issue for the produce industry is whether the model fresh produce departments Bryan refers to are actually in sync with consumer preferences anymore. There was a moment in which bringing produce from every corner of the globe and offering an ever-increasing assortment of product was a way of respecting consumers and their desire for infinite choice.

It is easy to get carried away with the financial impact of declining home values or a stock market crash or an increase in unemployment. Very possibly the longer lasting impact may be cultural as people use this crisis as a moment to revalue things.

There was already an upswing in interest for local. Add in a sense that it is rude to flaunt money when others are suffering and a notion that it was the over-complexity of life - derivatives, collateralized mortgage obligations, etc. — that got us into this mess and, maybe, just maybe, people will want less complexity.

How would we give that to them? In PRODUCE BUSINESS' sister publication, *PerishablePundit.com*, CTIFL, a kind of French version of PMA, wrote in to tell us that they were pushing newsstand-like small stores with simplified offers focused on the best eating product at good value.

That may be a vision, or a dream, or a

It does seem odd to think the country's attitude toward money and prosperity will change but the produce department will not.

nightmare depending on where one stands but it does seem odd to think the country's attitude toward money and prosperity will change, but the produce department will not.

Bryan speaks of cheap not being sustainable and he may be right, but it is also true that we don't really know if something is cheap or dear if inputs are not priced properly. In other words, if our use of oil is going to cause enormous amounts to be spent on the Navy to protect supply routes or the environment to deal with global warming, then the price attached to that oil isn't giving the right signals. That is where taxes often can play a useful role.

So consumers have no way of knowing what is "too cheap," and if charged a high price they don't have any way of judging if the vendor is more sustainable or just ripping them off.

Perhaps an important job is for our industry to work on finding ways to be more transparent so that consumers can know the true cost of realizing their desires and thus guide us to discover what kind of assortment they truly value. Maybe the produce department of the 21st century will wind up very different from that of the 20th.

CONTINENTAL FRESH LLC MIAMI, FL

Jacqueline Obama was hired to the sales team. With more than 15 years of experience in the import/export industry, she has held key traffic, logistics and managerial positions at Sunburst Farms and Perry Ellis International. Her duties will include growing Continental's marketing department through existing customers and establishing national sales for the entire company mix.



AVOCADO PRODUCERS AND EXPORTING PACKERS ASSOCIATION OF MICHOACÁN (APEAM) LOS ANGELES, CA

Emiliano Escobedo was appointed marketing director. He will be responsible for continuing to expand the sale of avocados from Mexico in the United States by overseeing the development of multi-million dollar marketing initiatives targeting consumer, retail trade and foodservice sectors in nationwide marketing, advertising and public relations programs.



MARKET FRESH PRODUCE LLC NIXA, MO

Sondria Reynolds was hired as director of business development. She previously served in marketing roles with Bland Farms and Pacific Tomato Growers. Her duties will include new client development in North America, Web site upgrade assistance, ongoing industry leadership assignments, new product development and company/brand awareness.



BONIPAK PRODUCE INC. SANTA MARIA, CA

Don Klusendorf was hired as director of sales and marketing. He brings more than 20 years of sales and marketing management experience, including extensive exposure to the retail perishables industry in the potted plant and fresh-cut floral business. He previously worked as vice president of sales and marketing for Farmers' West Flowers & Bouquets Inc.



SMURFIT-STONE CONTAINER CORP. CREVE COEUR, MO

Steven J. Klinger was appointed to the board of directors. Currently the president and chief operating officer of Smurfit-Stone, he joined the company in May 2006 from Georgia-Pacific, where he most recently served as executive vice president of packaging, pulp and global procurement. He is also on the board of directors for Navistar International Corp.



PRO*ACT LLC MONTEREY, CA

Casey Jarrard was hired as client services director. He previously worked as director of national accounts for Direct Advantage, vice president of sales and marketing for McEntire Produce and director of national accounts for Performance Food Group. He will be responsible for handling the national sales accounts in the Eastern region.



NORWOOD MARKETING SYSTEMS/ALLEN CODING SYSTEMS DOWNERS GROVE, IL

Paula Wilson was appointed as regional account manager. She will be responsible for bringing the company's high-quality thermal transfer and hot-stamp printing equipment to the market via direct contact with end-users and by partnering with original equipment manufacturers to integrate Norwood/Allen printers on a wide variety of host equipment.



Darren Springer was hired as director of client service systems. He previously worked as sales director for Muir Copper Canyon, a Pro*Act distribution company. He will work closely with current and future customers to drive information initiatives that support end users in the management of their produce programs.



NEW PRODUCTS

TAMPER-RESISTANT PACKAGING

Wilkinson Industries Inc., Calhoun, NE, introduced FreshServe, a tamper-resistant, single-serving container made from sustainable biopolymer, NaturesPLAstic with Ingeo biopolymer materials. According to the company, FreshServe tamper-resistant cup with three lid choices (spork lid, dip cup lid and flat lid) is a to-go container used for single servings of fresh fruits and vegetables.



Reader Service No. 300

SALAD TOPPING MIX

Aurora Products Inc., Stratford, CT, introduced Salad Fixins' topping mix available in a 14-ounce container. Aurora Natural Salad Fixins' come in an assortment of Honey Roasted Sesame Sticks, Raw Sunflower Seeds, Slivered Almonds, Cranberries and Raw Pepitas. The combination of dried fruits and nuts not only enhances the flavor of salads but it also provides a high nutritional value.



Reader Service No. 301

ROASTED RED PEPPER HUMMUS

Frieda's Inc., Los Alamitos, CA, introduced Roasted Red Pepper Hummus to its line of hummus varieties. Featuring six great flavors, the expanded line comes with a fresh, new look that's on-trend with Mediterranean-inspired diets. The new packaging includes high-quality silk-screen graphics printed directly on the lid and tub of each 7.5-ounce container.



Reader Service No. 302

PRODUCE TRACEABILITY SOLUTION

Lowry Computer Products Inc., Brighton, MI, launched Secure Visibility, an inventory management and lot traceability solution for the produce industry. The tool provides a comprehensive set of mobility solutions that adheres to the industry's Produce Traceability Initiative's compliance plan for standard traceability for the entire produce supply chain.



Reader Service No. 303

Produce Watch is a regular feature of Produce Business. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, PRODUCE BUSINESS, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at info@producebusiness.com

JOHN VENA REVAMPS WEB SITE

John Vena Inc., Philadelphia, PA, has redesigned its company Web site. Easy to navigate and filled with photos, the Web site offers useful information for both the trade and consumers. The new site contains detailed product descriptions, company history and pictures, media links, recipes and a blog.



Reader Service No. 304

NMB TAKES ON FOODSERVICE INDUSTRY

National Mango Board (NMB), Orlando, FL, is making major efforts to promote the use of mangos throughout the foodservice industry. NMB plans to partner with Sodexo in the spring/summer of 2009 to provide members with innovative ways to incorporate mangos into their menus. The board will wrap up 2009 by participating at the International Foodservice Editorial Council conference.



Reader Service No. 306

VOC AND WEGMANS DONATE TO SPECIAL FAMILY

Vidalia Onion Committee (VOC), Vidalia, GA, presented Eben Kennedy, category merchant in the produce department for Wegmans Food Markets, with a \$1,000 gas card, which was then donated to a special family through Wegmans' Employee Assistance Programs. The program helps support employees going through difficult times. Kennedy won the gas card through VOC's Original Sweet Onion Trivia Contest.



Reader Service No. 308

PARAMOUNT CITRUS TO DEVOTE ACQUIRED LAND TO CLEMENTINES

Paramount Citrus, Delano, CA, will soon add to its 30,000 acres of citrus with the purchase of 1,000 acres the company plans to use for the expansion of its clementine production and growth of the Cuties California Clementines brand. The acquisition from members of the George family of land in Eastern Fresno, CA, supports Paramount Citrus' long-term strategy in ensuring it meets customer demand.



Reader Service No. 310

VILLAGE FARMS SETS INDUSTRY PRECEDENT FOR FOOD SAFETY

Village Farms L.P., Eatontown, NJ, earned perfect scores on its most recent GAP/GMP third-party audit for all of its Texas facilities. The company developed its own GAP as part of a voluntary guidelines program established to ensure a clean and safe working environment. Modeled after the Food and Drug Administration (FDA) Good Manufacturing Practices (GMP), this program uses the Primus Labs format and third-party auditors.



Reader Service No. 312

KERN RIDGE PACKS SUNKIST NAVAL ORANGES

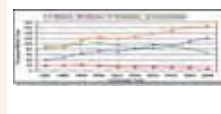
Kern Ridge Growers LLC, Arvin, CA, is now packing Sunkist Navel oranges in Arvin, CA. The year-round shipper of California carrots is going into its second season packing Sunkist Navels with improved machinery and flexibility to pack to order.



Reader Service No. 314

PAIA POSITIONS ASPARAGUS INDUSTRY FOR SUCCESS

Peruvian Asparagus Importers Association (PAIA), Dallas, TX, reports the Peruvian asparagus industry is setting standards for innovation, compliance with food and safety requirements and promotion and production. In 2008, PAIA placed a major focus on innovation and worked closely with U.S. government agencies to advance the trade of fresh Peruvian asparagus.



Reader Service No. 305

IPC REVAMPS WEB SITE

The Idaho Potato Commission (IPC), Eagle, ID, conducted a complete overhaul on its Web site and unveiled a new and improved online resource for consumers and chefs looking for their favorite recipes. The new Web site is engaging and easier to navigate, making it simple to scan for recipes, news and tips for making delicious dishes with Idaho potatoes.



Reader Service No. 307

VMB GIUMARRA OPENS BERRY FACILITY

The Giumarra Companies, Los Angeles, CA, and Vital Berry Marketing S.A., Huechuraba, Santiago, Chile, formed a new company, VMB Giumarra S. de R.L. de C.V., and opened Frigo Berry, a new berry cooling facility, in Jalisco, Mexico. Two hundred guests attended the ribbon-cutting ceremony. Guest speakers at the event included Jalisco Governor Emilio Gonzalez, and Alberto Cárdenas, national agriculture minister of Mexico.



Reader Service No. 309

RAINIER AND CMI KICK OFF GRAPPLE SOCCER PROMOTION

Exclusive producers of Grapple brand apples, Rainier Fruit Co., Selah, WA, and Columbia Marketing International Inc., (CMI), Wenatchee, WA, launched a free collector's edition soccer ball promotion for the 2008-09 crop year. The promotion creates a dynamic kid-friendly sales opportunity for retailers.



Reader Service No. 311

IPC ANNOUNCES 18TH ANNUAL IDAHO POTATO RETAIL DISPLAY CONTEST

Idaho Potato Commission (IPC), Eagle, ID, kicked off its 18th annual Idaho Potato Retail Display Contest that includes more than \$150,000 in cash and prizes along with a free DVD/MP3 player to all qualified entrants. Displays will be judged based on use of Potato Lover's Month signage, creativity, how the display incorporates the partner products and perceived salability of the display. All entries must be received no later than March 31.



Reader Service No. 313

RIVERIDGE RELEASES AMBROSIA APPLE VARIETY

Riveridge Produce Marketing, Sparta, MI, announced the release of Ambrosia, a specialty apple variety, to local markets throughout the Midwest. This unique gourmet variety is available for a limited time now through early 2009. Its bi-colored bright pink and yellow exterior reveals a sweet-honeyed flesh exhibiting a tender, juicy and crisp texture.



Reader Service No. 315

CORRECTION

PRODUCE BUSINESS sincerely regrets an editing error made in the January Produce Watch article on Valencia citrus, which incorrectly listed the host of the event. Holt Logistics in Gloucester City, NJ, hosted the event. Please see corrected article below.

VALENCIAN U.S. CITRUS SEASON KICKED OFF

Holt Logistics in Gloucester City, NJ, hosted more than 50 produce industry representatives, press members and government officials to kick off the start of Valencia citrus season by visiting the port in Gloucester City, NJ. Francisco Camps, president of the Valencia Region of Spain, and Martina Hernandez, secretary of agriculture attended the event to receive the *Ice River*, a 600-foot-long vessel arriving with about 4,600 tons of Spanish clementines. In addition to the Valencia delegation, some prominent importers, including Jac. Vanderberg Inc., LGS Specialty Sales Ltd., DNE World Fruit Sales, Seven Seas Fruit, The Tom Lange Co., Ibertrade Commerical Corp., Bacchus Fresh International Inc., Seald-Sweet International and Merex Corp., and some distributors, such as Baldor and Dandrea Produce, attended the event.





Staying True To Food Safety

Even While Pursuing “Value,” Retail Leaders Must Hold Fast To Principles

With a financial crisis, a recession and anything upscale having problems selling, the wind is blowing toward “value,” and most retailers and producers are tacking to catch that wind any way they can. The organizations that will come out ahead, however, keep to their true colors in their commitment to supply chain responsibilities, especially food safety, and recognize food safety as intrinsic to providing value to consumers.

By Jodean Robbins

There may be short-term benefits in being able to declare oneself the cheapest, but this comes with enormous risk for each company and for the industry as a whole, especially when it comes to maintaining food-safety standards. The problem is that profit margins in the industry are not so thick that one can reduce prices simply by accepting thinner profits; instead one has to either lose money or, more plausibly, look for cheaper methods of production. These alternative methods often don't conform to the highest standards on supply-chain responsibilities such as sustainability, traceability and its kissing cousin, food safety.

All these things, though, and especially food safety, are intrinsic parts of the value a store or restaurant offers its customers. In fact, intentionally electing to sell product that a retailer or restaurant knows is not up to standard is a kind of fraud against the consumer. After all, how many consumers would buy that product if there was a sign at retail or a note on the menu that said the truth:

“Normally our fresh produce has to be audited to meet stringent food-safety standards we have identified as important. These standards are expensive to enforce and so the produce often carries a premium price. Today, however, we purchased some ‘bargain’ produce. We hope it is fine, but it has not been audited to meet our standards. Please eat it at your own risk.”

In effect, the retailers and restaurants that fail to enforce rigorous food-safety standards are living on past equity, a reputation for enforcing standards established during better times. It will only take one illness or one death for that reputation to simply collapse.

So a few principled buyers are staying true to their colors and saying that even in times when “value” is prized, consumers rely on their stores and restaurants to be their buying agents and to procure product vetted for conformance to high food-safety standards.

These retailers and restaurants are showing fidelity to their values and consumer interests. They are avoiding risk to their brands and their customers. There may be some tough times as the siren song of “value” tempts many, but, one day, the economy will shift or a consumer will get sick and the wind will blow toward safety. Those brave retailers and restaurants that stay true to their values now will be so far ahead as to have an insurmountable lead during the next generation of prosperity.

CONSUMERS AT THE HELM

Consecutive food-safety scares and increased media attention have placed produce food safety in a prominent position among consumer issues. According to Issues Scan 2008, a new annual research study by Washington, D.C.-based United Fresh Produce Association (UFGA), consumers have a heightened concern about the safety of fresh produce,



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and the concern is growing. Dr. David Gombas, UFPA senior vice president for food safety and technology, explains, "Nine out of 10 consumers report at least some concern about product safety, and more than 30 percent are very or extremely concerned."

"PMA [Produce Marketing Association, based in Newark, DE] surveys consumers on a monthly basis about their attitudes and we survey more often when there is a produce issue going on," according to Julia Stewart, PMA public relations director. "The good news we're finding is consumers still have high confidence in the safety of fresh produce. The bad news is they're clearly growing weary of the issues going on. They're sending a message they'd like to see the supply chain doing more to safeguard the food supply."

Each scare potentially eats away at consumer perception of produce and the industry is on-call to respond. "Consumer confidence wanes somewhat each time there is an incident," says James Ball, director of food safety and regulatory compliance for Salisbury, NC-based Food Lion, LLC, which operates more than 1,300 supermarkets either directly or through affiliated entities. "For example, consumer confidence in spinach waned for a number of months. It took time for the spinach

market to recover, but it did."

"With all the things we've seen happen in the past 10 years, all companies had better have a food-safety program in place," says Dr. Bob Whitaker, PMA chief science officer. "Food safety cannot be something we just talk about — it has to be something we do. It has to become part of the fabric and culture of the company."

Retailers hold a position of especially high trust with consumers. "Consumers tend to be reactionary when something is in the news," reports Jill Hollingsworth, group vice president of food-safety programs with the Food Marketing Institute (FMI), Arlington, VA. "When there is a lot of attention given to it, they will back off purchasing it, but they will come back to the product when it's resolved. Consumers do have confidence that if a retailer has put the product back on the shelves, it's a good product."

"In most cases people trust their stores," says Dick Rissman, produce director, Des Moines, IA-based Dahl's Food Stores, an upscale independent chain with 12 stores. "They learn to trust their stores to pull the product and have out only what is safe. Stores like ours have built trust with our customers."

And that loyal relationship needs to continue, despite serious economic adversity. As the economic downfall takes its toll on nearly

The retailers and restaurants that fail to enforce rigorous food-safety standards are living on past equity, a reputation for enforcing standards established during better times. It will only take one illness or one death for that reputation to simply collapse.

Update From D.C.

Various pieces of legislation on food safety have been introduced in the Senate and House. Dr. David Gombas, senior vice president for food safety and technology at United Fresh Produce Association (UFPA), Washington, D.C. reports, "When the 111th Congress meets under a new Administration, we are likely to see a renewed effort to bring these proposals to the floor. Economic concerns may delay this some as both the Congress and the Administration will be focused on passing a job stimulus package. However, food safety won't be far behind."

However, the Food and Drug Administration (FDA) may not wait for instructions from Congress. Gombas explains, "United Fresh has advocated since early 2007 for mandatory produce food-safety standards that are commodity-specific and risk-based, applied consistently whether the source of the produce is domestic or imported, so as to level the playing field and regain consumer confidence in the safety of fresh produce. FDA's recent re-opening of the 1998 Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables, commonly referred to as the Good Agricultural Practices or GAPs Guidance, may well be prequel to FDA proposing mandatory GAPs of some form."

In a separate but related activity, the Association of Food and Drug Officials (AFDO), York, PA, is in the process of completing a 2-year effort to draft a Model Produce Safety Code. "Similar to the Food Code, which serves as a core model regulation used by states to write their own, state-specific health and safety regulations for foodservice and retail operations, the Model Produce Safety Code would serve as a model for states to use to write state-specific GAPs regulations," Gombas describes.

"The AFDO initiative began at the request of the Florida tomato industry, which worked with the Florida legislature and Florida Department of Agriculture and Consumer Services [Tallahassee, FL] to issue our country's first mandatory GAPs regulation for fresh tomato GAPs, and grew into a model regulation for all fresh produce. Like the Florida initiative, the produce industry, U.S. Department of Agriculture (USDA) and FDA are all at the table, working with AFDO to ensure the model regulation is well designed, takes into consideration commodity and regional differences in risks and ensures flexibility in how identified risks are controlled."

pb

everyone, courageous retailers need to stand strong in the battle for food safety. While consumers are seeking the lowest prices now more than ever, there is no indication that they want to speculate on the safety of their food. Retailers must not throw food safety to the wind in an effort to boost sales with rock-bottom prices. Consumers may want value, but they want it on the same safe product they expect. It is not a value if it involves playing food safety roulette.

Only as the industry truly works together will it be able to develop a full, defensive food-safety strategy. "It is important we share the knowledge we have," says Lori Willis, director of communications for St. Louis, MO-based Schnuck Markets, Inc., with 105 stores. "The industry is full of people with expertise in a number of areas and we need to work together to get the information out to our customers."

So when the meeting is being held and the marketing people are asking for super-discounted produce to draw them in, here are ten principles that the produce director must stand up for as being more important than buying the cheapest product available:

1. IDENTIFY RISK

Identifying risk is the first step in a true food-safety program. "Food safety is more an activity where you're identifying risks involved with production and distribution of a product and managing those risks," according to PMA's Whitaker. "You're never going to have a 100-percent guarantee of eliminating those risks,

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but you try to stack on the ability to control those risks so you're bringing the odds back into your favor. You must build a number of firewalls into the system."

"Considerable resources are being devoted to improving our understanding of the risk potentially posed by various agricultural practices," says Robert Stovicek Ph.D., president/chairman of PrimusLabs.com, Santa Maria, CA. "This includes possible conflicts between desirable sustainability and safety objectives."

Risk assessment and risk management must be worked individually. "Risk management is personal," explains Whitaker. "Each individual

business along the supply chain, from farm to consumer, needs to assess the risk. There's no one-size-fits-all on this. A guy who grows tomatoes is going to have a different risk profile than a wholesaler and they'll both differ from a retailer. You have to understand the process you have and your risk factors and then ask the questions about how you are going to control the risk."

"The complexity a plan needs will vary by the type of produce being handled, the opportunities for contamination and the opportunities to prevent, detect and correct it, United's Gombas adds. "Produce, because it's fresh,

relies almost entirely on prevention as the means to control contamination. Prevention is the weakest form of control, because any failure can result in produce becoming contaminated and, once contaminated, it is very difficult to make safe again. At the very least, every company handling produce should know what its potential risks are and how it's going to minimize those risks."

2. DIFFERENTIATE QUALITY AND FOOD SAFETY

Some companies may combine quality and food-safety initiatives, but experts emphasize the need to understand their differences. "Food-safety programs are typically designed to ensure the safety of the product being supplied," explains Kurt Westmoreland, division vice president for Silliker, Inc., Homewood, IL. "These programs are typically preventative programs designed to accomplish this goal and may include things such as HACCP [hazard analysis and critical control point] programs, GMP [good manufacturing practices] programs, ingredient, water and soil testing and product testing. Quality programs are typically related to the actual physical quality of the product and often include things such as proper product weights and cuts, proper packaging and proper labeling among others."

While quality may be open to interpretation, food safety should not be. "Quality is a measure of sensory and physical attributes and really doesn't speak much to the safety of the product," explains PMA's Whitaker. "The only joiner between the two activities is how the quality control functions often have both responsibilities because some of the skills you need to do both are the same. However, in our industry — although quality has always been an important factor — it can be negotiable in some instances. However, food safety is never negotiable. If you're out of compliance from a food-safety point, then the product should never be allowed to enter commerce."

"Having a well designed and implemented quality-assurance or quality-control program can make the difference between a product you're proud to sell and your customers are eager to buy, and a product whose best feature is its low price," adds United's Gombas. "Policies, procedures, specifications and audits are tools shared by both quality and food safety. But while quality is negotiable and the acceptable level of quality is often a business decision, food safety is not. Customers and suppliers may negotiate price in relation to features such as color, size, uniformity, even the amount of bruising or defects. But any customers willing to negotiate for produce whose safety is unknown — or worse, not controlled — is putting more than their business at risk."

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Reader Service # 8

mixing food safety and quality control. “Certainly, from the supplier side, an individual dealing with quality and safety will become overwhelmed by the quality aspects of his or her job in short order,” cautions Primus’ Stovicek. “Quality-control systems have a long history, they are well quantified by good companies and our ability to deal with them has matured to the point where they are currently being addressed by the market. Successfully mixing quality and safety on the buyer side is accomplished with individuals implementing effective systems and allocating enough time to reviewing and delegating clear and supported directions to suppliers and service providers.”

Miguel Crisantes, Jr., organic sales, Sunny Valley Organics, based in Nogales, AZ, voices a similar sentiment. “While you can mix the functions together, I advocate having personnel trained and specifically working in quality control and having a separate person completely immersed in the subject of food safety and product handling. This way you can concentrate on the issues independently and when issues do arise, they are more easily identified. Food safety and quality control tend to have a different perspective, even though they should function as a team.”

3. KNOW YOUR SUPPLIER

Familiarity with a supplier and its food-safety initiatives is another important step. “You have to know your suppliers are doing everything they can to make sure their products are safe,” says PMA’s Whitaker. “They should have an active program in place and have people who understand food safety, can communicate to you what their programs are and what they’ve done to correct a problem if it does exist. If you can’t be assured suppliers have this, the best decision may be to say no to them until they do.”

Dahl’s Rissman agrees, “Know your supplier and always buy the best you can possibly buy.”

Retailers can use their skill sets to

evaluate suppliers from a food-safety perspective. “We can put into practice what we’ve learned in the past to choose suppliers carefully and handle product correctly,” explains Schnucks’ Willis.

“Now a buyer actually must be concerned with what is occurring prior to the procuring the product,” states Primus’ Stovicek. “Any successful fresh-produce buyer has learned to evaluate price, quality and reliability of supply.

“Customers willing to negotiate for produce whose safety is unknown – or worse, not controlled – are putting more than their business at risk.”

*–Dr. David Gombas,
United Fresh
Produce Association*

In fact, each of these is quantifiable, which makes solving issues simple, a critical step in unleashing the market to force the process of continuous improvement.”

Aggressive food safety means more than having a supplier sign a paper. “Look in depth at what the supplier is doing,” suggests Whitaker. “Go out and visit, follow up and make sure they have the paperwork you need.”

Silliker’s Westmoreland agrees, noting, “Retailers should be involved in detailed, up-front discussions with their suppliers to develop and implement food-safety programs ensuring the product they are receiving, especially prepackaged product, is produced using agreed upon food-safety parameters. These may vary from product to product and thus communication is key.

More and more retailers are taking an active role in food safety with their suppliers. “Retailers are increasingly requiring GAP [good agricultural practices]/GMP audits,” according to Heena Patel, director of food and agriculture auditing services for Scientific Certification Systems NutriClean Division (SCS), based in Emeryville, CA. “Over time, an

even more effective strategy will be to direct vendors to adopt more comprehensive HACCP food-safety management programs.”

Suppliers themselves are working on providing certification programs for their buyers’ convenience. For example, Desert Glory, Ltd., San Antonio, TX, is working to generate a voluntary pre-certification program for produce growers, packers and distributors. “This program will expedite response time and identification of source during foodborne illness outbreaks,” says Bryant Ambelang, CEO and president. “Under our plan, growers and distributors who are certified under the voluntary standards would be granted ‘early release’ in the event of a future recall. A pre-certification program would require a facility inspection during the application process, including microbiological testing at key points throughout picking, packaging and product distribution. A complete pre-certification program will act as a preventive program since it will be based on good agricultural practices and, thus, better assure safe food production.”

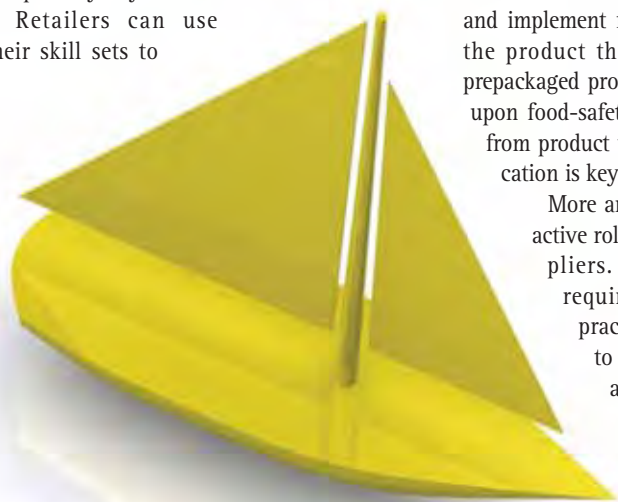
4. LOOK FOR INDUSTRYWIDE CERTIFICATION

The Safe Quality Food (SQF) program managed by FMI provides an easy opportunity for retailers to certify suppliers. According to FMI’s Hollingsworth,

“SQF is a retailer-driven program exceeding government requirements and utilizing trained, impartial people to audit and verify. There are already third-party audits but never any to this degree where we’re actually setting a standard and certifying the companies to that standard.”

FMI developed the SQF program in response to requests from retailers for some type of food-safety certification for suppliers. “Retailers are sourcing food all over the world,” explains Hollingsworth. “They realized they can’t be everywhere to personally verify how things are being done but they wanted to be able to pass an assurance on to their customers. So, they asked FMI to develop a system they can have confidence in. If a supplier says it is SQF-certified, a retailer can have confidence.”

SQF is one of four programs operating under the Global Food Safety Initiative (GFSI), which provides global application for the plan. The other industry-wide certification companies that are part of the GFSI are the British Retail Consortium (BRC), International Food Standard (IFS) and the Foundation for the Certification of Food Safety Systems (SCV). While SQF is based in Arlington, VA, the others operate out of various countries around the world, creating a global network of food safety standards. Each corporation has its own set of distinct standards by which a supplier is audited, such as the presence of pesticides, organic protocol and field and facility standards, and cer-



tain retailers only accept certification by certain corporations. What's more, each certification group then employs private companies to perform the actual audit. PrimusLabs, NSF Davis Fresh and Scientific Certification Systems (SCS) are a few of the most popular and well-respected companies that offer food safety certificates under the GFSI umbrella.

"Currently, there are around 50,000 companies worldwide operating under the GFSI," says Hollingsworth. "The number of companies implementing these higher standards is growing by leaps and bounds. Although this started as a program driven by supermarkets, the National Restaurant Association [(NRA), Washington, D.C.] has now joined with us and the restaurant industry and operators are asking for the same types of certifications."

The produce industry has also been busy developing and updating commodity-specific food-safety guidelines for commodities seemingly requiring more intensive management practices for food safety. "The guidelines for leafy greens, originally published in April 2006, have evolved into the Best Practices for the California and Arizona Leafy Greens Marketing Agreements," explains United's Gombas. "The 2006 guidelines for fresh tomatoes were updated in 2008 with much greater industry input, and FDA [Food and Drug Administration] and USDA [U.S. Department of Agriculture] were kept involved throughout. The industry is already working on version three for tomatoes."

Other commodities have begun to develop their own commodity-specific guidelines. "Since food-safety practices should be commodity-specific and risk-based, what works for leafy greens or tomatoes may not be applicable to other types of fresh produce," says Gombas. "Other commodities recognize this. For example, even with an exemplary food-safety record, watermelon-specific food-safety guidelines are being developed by the National Watermelon Association [Plant City, FL] to serve as a model for facility-specific watermelon food-safety plans."

5. GET YOUR OWN HOUSE IN ORDER

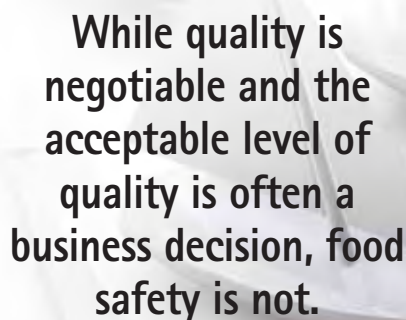
Retailers and other businesses in the distribution chain must assure their own house is in order as well as their suppliers'. "Make sure you've done your own risk assessment and identified how to control risks within your own stores and distribution centers," advises PMA's Whitaker. "A lot of retailers already have very good programs and good people in place. Remember, the guy who has the ultimate hammer on this is not legislative or regulatory – it is the buy side."

"Retailers must make sure they're following best practices in the store," adds FMI's

Hollingsworth. "Most of those practices are based on the FDA Food Code."

A formal system for responding to crises or inquiries is key. "Chains should have an alert-system for pulling," notes Dahl's Rissman. "In our stores, we have an internal system to alert stores immediately of a problem and have the stuff pulled."

Backroom and receiving are other focal points. "Look at backroom and receiving procedures to better deal with commingling and cross-contamination," suggests Sunny Valley's Crisantes. "It must be an efficient process and



While quality is negotiable and the acceptable level of quality is often a business decision, food safety is not.

one designed to make it easy for staff to properly allocate product, especially organic versus conventional. It's important for staff to understand what it is to handle a certified organic commodity versus a conventional item."

Proper cold-chain management in receiving and on the floor is imperative. "First and foremost maintaining good temperature control is important," says Whitaker.

Effective sanitizing is also a crucial component to food safety. "Using a good sanitizer and using it properly is another piece of a good plan," says Whitaker. "Equipment is now being built specifically so you can tear it down and clean it properly."

New technologies can help retailers, foodservice operators and all others in the chain better monitor key components and manage risk. David McNally, director of agricultural technology, Sensor Wireless, Inc., in Charlottetown, PEI, Canada, reports, "Currently we are working on new sensors for GPS [global positioning system] tracking of distribution chains, storages and production, which will provide real-time traceability for ethylene, CO₂, temperature and humidity controls. Some of these technologies are being trialed in the foodservice industry, as we speak, for quick-serve restaurants."

"Units like ours, which snap into the shipping container and monitor a variety of variables as well as delivering an ozone treatment,

are a tremendous tool for shippers and receivers," explains David Cope, president of Purfresh Inc., Fremont, CA. "They will be able to know how best to move the product based on the report they receive showing exactly how it fared during transit. This new technology provides multiple benefits for both sides of the shipping chain."

6. MEASURE COMMITMENT

It may seem obvious, but commitment is the foundation to any food-safety initiative, and a company's actions reflect its commitment. "Don't become complacent," warns Dahl's Rissman. "Maintain your commitment in all areas."

"All of Schnucks' initiatives set the tone for food safety in our stores," states Willis. "Our baggers separate food according to food safety, and our checkers have sanitizers. We provide sani-wipes in our meat department and in the front of store."

"Developing systems taking into account the particular culture of a large buying organization's culture is critical," says Primus' Stovicek. "This consistently generates the most creative innovations and involves a collaborative effort between Primus and various suppliers and buyers."

Likewise, retailers can judge supplier programs on their comprehensive commitment, which may affect supply-chain reaction. "Certification really looks at the companies' commitment to food safety," says FMI's Hollingsworth. "It looks at their value system, how they train their employees, and not just if their floors are clean. Employees should be able to understand it's important they do a certain practice and in a certain way. It's about a mind set."

Wil Sumner, director of food and agriculture testing services for SCS, says, "Retailer pressure on supply chains to accept responsibility and peer pressure among growers within specific sectors are contributing to a greater acceptance of the need to undertake responsible food-safety practices."

Greater investment in food safety should reflect the commitment. According to Food Lion's Ball, "We would expect companies to allocate more resources to food-safety efforts, especially in training, traceability, consumer education and systems. This is due to both the regulatory and global environment around the sourcing of food."

"At some point in time, a significant population of the growers and shippers in a given fresh produce commodity group will be expanding resources to address safe production and handling practices," says Stovicek.

"However, any food-safety effort successfully utilizing the market to drive improvement throughout the system will require participation of the players providing logistical support,

such as brokers and other middlemen and women. Transparency will take on a whole new level of meaning for many folks in the fresh produce industry."

"We need to be 100 percent committed to this industry and to the well being of our customers," stresses Sunny Valley's Crisantes. "This means rain or shine, not just when things are good."

7. EDUCATE CONSUMERS

Consumers are the final link the food-safety chain. "We put a lot of emphasis on consumer education because anyone can buy a safe food and then contaminate it in the home," says FMI's Hollingsworth.

"The consumer is the last line of defense in the food-safety system," says Shelley Feist, executive director for the Partnership for Food Safety Education (PFSE), Washington, D.C. "It just makes good sense for those who get food to supermarkets to also do their part in ensuring consumers are aware of basic safe food handling and how it can reduce the risk of illness. The basics of handling fresh produce — check, clean, separate, cook, chill and throw away — guide consumers to actions reducing the risk of illness."

The industry and its partners are now seeing long overdue investment in consumer food-safety education. "Consumer education is the equivalent to preventative medicine," says Primus' Stovicek. "Each represents the promise of providing the greatest return, but neither is where the money can be found."

"We have an obligation to provide customers with food-safety advice, practical handling procedures and education on how to keep food safe once it's in their home," says Hollingsworth. "We are one of the founding members and strong advocates of the Partnership for Food Safety Education. It is one of the few places where government, industry and consumer groups come together for a common goal of teaching people and provides a tremendous amount of

material for our members to use at retail."

PFSE is a nonprofit organization with a mission to save lives and improve public health through research-based actionable consumer food-safety initiatives that reduce foodborne illness. In 2004, it created the FightBac program. "The Partnership this year launched a new platform for consumer food-safety education intended to engage retailers and the food industry," explains Feist. "More than 40 retail companies representing an estimated 8,000 stores have expressed commitment to use Be Food Safe in in-store and external communications with their customers."

"Transparency will take on a whole new level of meaning for many folks in the fresh produce industry."

*- Robert Stovicek Ph.D.,
PrimusLabs.com*

"The PMA and United Fresh Produce Association have supported outreach to the produce industry to engage individual companies in working with retailers to get the Be Food Safe messaging out to consumers," according to Feist. "A special CLEAN icon was developed specific to produce. Fliers, shelf wobblers, circular ads and newsletter text are developed by the Partnership for use by retailers to stay in touch with their customers on the importance of safe food handling."

"FightBac is a wonderful program and Schnucks is very excited about the way the program seeks to raise awareness," says Willis. "We've also participated in Be Food Safe and we've been able to back those programs up with flyers and information on our Web site. We've added shelf wobblers for both programs to help us get the message out to our customers."

Food Lion has several specific initiatives. "Our Shopper's Companion, a weekly e-mail publication for consumers, includes food-safety information," explains Ball. "As a member of the North Carolina Food Safety and Defense Task Force, Food Lion is in full support of the NC

Fresh Produce Safety Initiatives and has been a leader in the retail sector for some time working with local and federal agencies on the promotion of food-safety and food-defense efforts. "For example, we assisted in 2006 with the production of the FDA's ALERT Food Defense Awareness broadcast and training program," says Ball. "We also educate associates about food safety and food allergies during food-safety training classes using the ServSafe Food Safety Manager Certification Course [of the NRA Educational Foundation, headquartered in Chicago, IL]. Our stores periodically have food-safety demonstrations for customers and we have distributed, for example, food thermometers and information."

8. TRAIN, TRAIN AND TRAIN

A crucial link between the supply chain and the consumer is the store employee. "Be sure your store employees are properly trained," advises FMI's Hollingsworth. "We put a lot of emphasis into training programs for our members to make sure stores and employees understand what they do and why they do it."

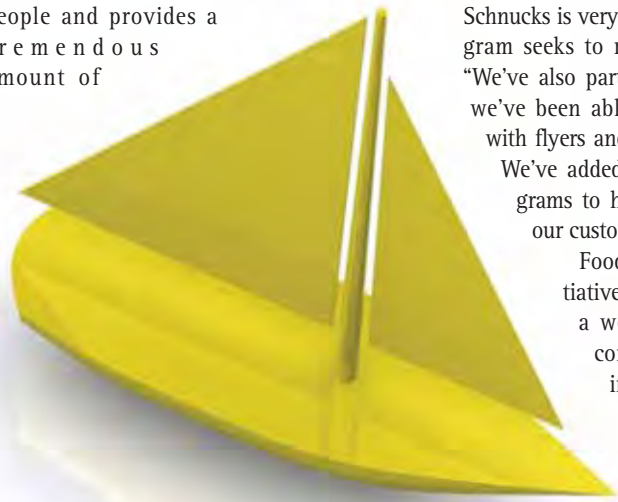
"People have to be trained," emphasizes PMA's Whitaker. "It's not good enough to have the data — you have to show people how and why it has to be used." As a result of the current economic climate, there are many qualified and available workers. Those who have been laid off or eliminated make perfect trainees.

Schnucks has a food-safety team that includes individuals well educated in all aspects of food safety. "We place a high priority on teaching our associates proper handling, sourcing and contamination control," says Willis. "There are programs in place from the baggers all the way to our vice presidents." Training is available from various industry associations as well as private companies. "Retailers and grower associations have been very instrumental in investigating and promoting food safety," says SCS' Sumner. "In addition, independent companies such as SCS provide food-safety management training and education for growers and handlers, as well as audits, testing and third-party certification."

9. DON'T UNDERESTIMATE ROI

A good food-safety program can provide not only a financial return on investment (ROI) but also other significant returns. "We've had many suppliers come back and say it was worth every dime, not just from a monetary perspective but because it's changed the way they do business," says FMI's Hollingsworth. "The more you can control your process, the better your ROI."

"Preventive programs, in general, should be viewed as a means to help minimize costly safety issues and product recalls," according to Silliker's Westmoreland. "As such, the ROI is



great when compared to the cost of one possible recall."

"If you don't do what's necessary, it will potentially cost you," adds Dahl's Rissman. "Needed food-safety investments might pinch your bottom line some but in the overall picture, it will benefit your bottom line." While this might be difficult to swallow during these tough economic times, the fact is that money spent now could save a company millions in the long run and thus boost future profits.

Investment in food safety can be viewed as avoided risk. "The cost of a single outbreak can mean losing the entire company," explains SCS' Patel. "If properly implemented, a responsible food-safety management program can be put into place for pennies on the box. As such, it should be viewed as a relatively inexpensive insurance policy."

"From a business point of view, the destruction one such incident can have on your company's reputation and brand proves all companies should be implementing and developing a food-safety plan," says Sensor's McNally.

10. DO THE RESEARCH

The industry is stepping up research efforts to maximize preventive measures. "We need to be able to be sure sanitizers and new technologies coming on board can be used in a production and retail setting and be as effective as in a laboratory setting," says PMA's Whitaker. "Down-in-the-dirt research needs to be done to show these things can be used. In particular, the Center for Produce Safety [(CPS) at the University of California Davis] is such an important development in this industry. Through it, we can link up vendors with industry researchers who can take it through the next step."

CPS provides ready-to-use, science-based solutions preventing or minimizing produce safety vulnerabilities. According to Bonnie Fernandez-Fenaroli, CPS executive director, the Center has four priorities. "The first is to become a global clearinghouse and repository of research information," she says. "We are working on a searchable database that will host the various produce-safety research currently being conducted and completed in the United States and around the world. The database will have a researchable function to find names of food-safety scientists and their specialties.

"Second, we will facilitate new actionable research," Fernandez-Fenaroli continues. "Third is to provide communication, outreach and training for industry, research and regulatory sectors. Last, we will fund the strategic plan."

CPS is encouraging partnerships through its new program Partners in Research, she explains, "Similar to the Center's joint call for research proposals with the California Leafy Greens Research Board, we are reaching out to

companies and organizations to coordinate research projects. We will offer the services of our technical committee to help identify research and form the researchable question to address the research need. We also hope to be able to identify funds to match funds the partner may bring to the table. There are many opportunities to bring like interests to the research table."

The 2008 Farm Bill allocated \$50 million per year in research funds to solve critical industry issues' for fruits, vegetables and other specialty crops. "United Fresh fought hard to include specialty-crop research funding in the

2008 Farm Bill so researchers won't go elsewhere," says Gombas. "With the spotlight of funding on the produce industry's needs, we should see progress on some very creative, innovative and effective solutions. We are already seeing proposals to use biosecurity technologies and vision systems to detect contamination in irrigation water and on produce in the field, risk assessments to help the industry focus its pathogen prevention programs and, with the recent approval by FDA of irradiation to treat iceberg lettuce and spinach, research to make that and other processing technologies practical and cost effective." **pb**

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Spring Merchandising Madness

Fan the flames of customer's spring fever by creatively merchandising seasonal produce and offering sizzling sales and hot holiday-themed promotions.

BY CAROL M. BAREUTHER, RD

"Spring is a time of transition, a springboard of change," says Robert Schueller, director of public relations for Melissa's/World Variety Produce, Inc., Los Angeles, CA. "More domestic produce becomes available at this time and a lot of retail schematics and end caps change. Rhubarb, fava beans, English peas, summer squash and spring onions, for example, take over from the heartier winter produce."

motions and events. We have had great success this year with retailers placing the Fruits & Veggies More Matters logo on their private labels and POS materials. To date, the logo appears on over 1,200 private and major brand packages."

In March, PBH will release results from its 3rd annual survey of Gen X Moms, which studied their attitudes, knowledge and opinions about various fruits and vegetables.

NATIONAL NUTRITION MONTH March 1-30

Eating healthfully takes the spotlight in March for the American Dietetic Association's National Nutrition Month (NNM). Many retailers celebrate by placing the NNM logo in ads, hosting school classes on store tours and publishing articles about good nutrition in store publications.

To assist retailers in merchandising, Kristen Stevens, senior vice president of the Wilmington, DE-based Produce for Better Health Foundation (PBH), says, "We will be preparing and offering our retailers a toolkit filled with downloadable materials they can incorporate into their National Nutrition Month pro-

ST. PATRICK'S DAY March 17

Cabbage sales spike leading up to St. Patrick's Day as consumers purchase this traditional accompaniment to corned beef. But it's not just cabbage sales that are impacted by the Irish holiday. Melissa's Schueller says, "The emphasis is on cabbage, but potatoes and onions are also in big demand." According to U.S. Department of Agriculture (USDA) Economic Research Service (ERS), per capita cabbage consumption will rise to 8.7 pounds in 2009.

"Cabbage is a good value vegetable that may hold even greater appeal for consumers in these tough economic times," according to Ray Clark, executive director, Leafy Greens Council, headquartered in St. Paul, MN. According to the USDA's Agricultural Marketing Service numbers, the average retail price of cabbage for November 2008 was 43¢ per pound, the same as it was in November 2007.



"Artichokes can be cross-merchandized easily, with everything from dressing, spices and dips to stuffings and ingredients like tuna and canned salmon."

**— Pat Hopper
California Artichoke
Advisory Board**

Impressive, considering a 20 percent increase in production costs for farmers during the past year due to increased costs of fertilizer and transportation."

To fit the needs of today's smaller families, John B. Martin & Sons Farm, located in Brockport, NY, introduced a sweet baby cabbage in the summer of 2008. Owner David Martin says, "The mini head averages 6 inches in diameter and weighs from ¾ to ½ pounds. It's wrapped in a microwavable package for easy preparation."

"St. Patrick's Day," says Karen Caplan, president of Frieda's, Inc., Los Alamitos, CA, "is a great time to promote anything green. This time of year that could be salads, lettuces, cucumbers, snow peas, sugar snap peas, green beans and fresh herbs. It's a great way to introduce these items to kids, and stimulate sales at the same time."

APRIL IS ARTICHOKE MONTH

"A big change in the California artichoke industry is the switch from perennials to annuals," says Pat Hopper, manager of the California Artichoke Advisory Board (CAAB), Castroville, CA. "This means we'll have good supplies throughout the spring as opposed to a huge jump in production, making it easier for retailers to plan promotions. The rise in annuals also means the availability of larger sized artichokes," Hopper adds. "We'll have more 18s, 15s and some 12s in the spring."

Cabbage is King for St. Patrick's Day at DeMoulas Market Basket & Econo Foods

Beans and carrots, turnips and cabbage are set up in the meat department next to the corned beef at DeMoulas Market Basket, a 59-store chain based in Tewksbury, MA. Mike McGuire, director of produce, says, "They'll be streamers and special signs set up and designed to make the holiday dish connection for customers. As a result, we'll typically sell through 12 loads of cabbage rather than just a couple."

This same cross merchandising theme is used at Econo Foods, a 6-store chain based in Brillion, WI, but with a twist. Jim Weber, produce supervisor, explains, "We'll display cabbage, baby carrots and baby 'B' red potatoes in the meat department, and then we'll also move corned beef into the first position in the produce department next to cabbage. That way, we catch the customer's attention in two areas."

"In addition to the display," Weber says, "we'll run cabbage on ad for a hot price. For example, last year it was 22¢ per pound and the market was 59¢. This increases cabbage sales a few hundred percent."

Weber will also run what he calls a "green theme ad." He says, "We'll group several green produce items such as Granny Smith apples, D'Anjou pears and green peppers, for example, and run them in the ad along with the cabbage."

pb

According to Perishables Group FreshFacts powered by Nielsen, as provided by Ocean Mist Farms, Castroville, CA, artichoke sales exhibit sharp peaks in both volume and dollar sales during holiday weeks from February through May, including Easter, Mother's Day and Memorial Day.

For every size of artichoke, there is a corresponding dish. Kori Tuggle, Ocean Mist Farm's marketing manager, says, "Preference of size really depends on how the consumer plans to use the artichokes, as either an ingredient, center-of-the-plate application or side dish. Consumed by itself, a jumbo-sized artichoke is a meal. Cutting that same jumbo-sized artichoke in half or in quarters can create two to four side dish servings. Or, spreading the petals open and filling it with a dip, a jumbo-size cooked artichoke can

serve as an 'edible bowl', making it a great shared appetizer."

"Artichokes can be cross-merchandized easily," says the CAAB's Hopper, "with everything from dressing, spices and dips to stuffings and ingredients like tuna, canned salmon, smoked chicken, deviled ham, marinades and prepared sauces."

Consumers say the quality of artichokes on display is the single most important factor to the purchase decision, according to Ocean Mist's research. The top five reasons for impulse sales of artichokes are: on sale/price reduction (29 percent), attractive display caught my eye (22 percent), in-store advertising (14 percent), coupon (10 percent) and signage in the store (8 percent).

In 2008, Ocean Mist Farms introduced a new two-count handled bag. "The grab-and-



Artichoke sales increase during holiday weeks such as Easter and Mother's Day.

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go style invites impulse purchases," says Tuggle. "The bag includes a UPC code, country of origin, preparation directions and nutrition facts."

As for handling, the CAAB's Hopper recommends that consumers, "Stack artichokes on refrigerated shelves, but not too high. For more shelf life, place them stems-down in shaved ice."

PASSOVER April 8

"Passover is the horseradish holiday," states Frieda's Caplan. "Root vegetables, including carrots, and dried fruits are popular ingredients for the big family feasts that take place at this time."

Organized merchandising is key to boost sales around this Jewish holiday. "Create a special section of Passover items with signage to identify this significant holiday," says Melissa's Schueller. Many retailers begin to showcase Passover immediately after Purim, which is March 10. Additionally, Melissa's offers a value-added booklet called a *Haggadah*, which explains the significance of foods such as horseradish, parsley, apples and nuts used during the

Passover Seder. These booklets can easily be merchandized as part of the Passover produce display.

EASTER April 12

"Think Thanksgiving-type merchandising for Easter," advises Melissa's Schueller. "Families gather together to feast upon a traditional ham or turkey with all the side dishes. Fresh spring vegetables, including radicchio, butter lettuce, french beans and onions as well as Dutch yellow, ruby gold and red creamer potatoes, are popular for end-cap displays and promotions."

Steven Phipps, principal owner and sales and marketing director for Market Fresh Produce, Springfield, MO, says, "Easter is a great time to promote sweet potatoes. Potato availability will be outstanding as full storage is going from all growing regions, including Idaho, Colorado, Wisconsin, North Dakota, Washington and Maine. We also will have new crop potatoes from Florida, which tie in great with green bean and red 'B'-size potato promotions."

Phipps continues, "Storage onions will be available from Washington, Idaho, Oregon,

Easter Promotions At New Seasons Market, Econo Foods And DeMoulas Market Basket

Tropical fruits take center stage in displays and ads the week before Easter at New Seasons Market, a seven store chain based in Portland, OR. Produce director, Jeff Fairchild, explains, "This is typically a window of time when there's not much going on in produce. True, the berries are starting big, but otherwise, the citrus is starting to run down, the apple varieties available are whittling down and the domestic summer fruits aren't available yet. So, we've found that an aggressive tropicals promotion works well."

"For example," says Fairchild, "we'll build a big tropical fruit display, then cut and demo items such as Ataulfo mangos, papayas and cherimoyas. There will be cored pineapple available and our demo department will make something like papaya salsa and sample it out to consumers. It's a great opportunity to acquaint customers with tropical fruits and get them ready for Easter by thinking about warm weather."

Come Easter, fresh asparagus takes the spotlight in huge displays and front-page ads at New Seasons Market. "We'll invite a grower from northern California to come into the store," says Fairchild. "Point-of-sale materials

will tell about the grower and the asparagus he grows. Then, we'll demo the asparagus. Last year, we grilled it."

Asparagus, as well as yams, Idaho russet potatoes, coleslaw mix and coleslaw dressing are items that get increased display space in the run up to Easter at Econo Foods. "It's one of those three to four holidays a year when consumers will buy what they might not normally, so we offer premium products," says produce supervisor, Jim Weber. On average, for example, displays will include an end cap of 300 pounds of asparagus all cut and standing vertically, an end cap with 30 to 40 cases of yams, and two large bins of Idaho Russets. "Consumers are very impressed and load up their baskets," says Weber.

Asparagus, strawberries and salad items are featured in a full page Easter ad at DeMoulas Market Basket, a 59-store chain based in Tewksbury, MA. But, what is really big, says director of produce, Mike McGuire, is flowers. "We'll also run a full page floral ad with, for example, bulbs, lilies, tulips and hyacinths. This will be accompanied by a big display at the front of the store. Spring is all about flowers for us."

pb

New Season's Market Gets A Jump On Summer, Econo Foods Celebrates Memorial Day With Melons & More

A week or two prior to Memorial Day, the produce departments at New Seasons Market, a six-store chain based in Portland, OR, come alive with the aromas and tastes of summer. Produce director, Jeff Fairchild, says, "Over the years, there's been an increase in high-quality, early season summer fruit out of California. We've found that aggressively promoting summer fruit right out of the gate really serves to stimulate sales and gets customers in the habit of buying summer fruit right through the season."

Cherries, melons and tree fruit are all part of the early summer promotion. "We'll do an entire merchandising re-set for the promotion and offer aggressive pricing and in-store sampling," says Fairchild. "It really gets customers excited."

Meanwhile, Jim Weber at Econo Foods promotes 40- to 45-count seedless watermelons for a hot price. "We sold them for \$2.98 each in a \$4.99 to \$5.99 market [in 2008]," says Weber, "and sold through 30 to 40 bins in each of our stores."

pb

and Mexico and the forecast at this time is good for supply. Sweet onions will be available from Mexico and the growers are forecasting an excellent crop even higher than 2008. Consumers always enjoy the robust flavor of new crop sweet onions, which tie in nicely with spring salad promotions. Salad themes using bin promotions of onions and potatoes create a big splash in the department."

"Pineapple and asparagus are two big produce items for Easter," says Frieda's Caplan. Pineapple is often sliced in various forms to accompany ham dishes, and asparagus has become a traditional Easter side dish.

"California asparagus, which makes up nearly 80 percent of the U.S. crop," adds Lindsay Martinez, director of marketing for Oxnard, CA-based Boskovich Farms, Inc.

"peaks in volume around the Easter holiday, making it perfect for retailers to promote around this holiday theme."

Tom Tjerandsen, spokesman for the California Asparagus Commission (CAC), Holtville, CA, says, "Three factors will lead to strong spring volumes for California's asparagus crop. First, over the past two to five years, substantial land has been lost due to new home construction. In addition, some farmers have converted over to more profitable crops such as pomegranates and nuts. Both of these have now reached a plateau. Secondly, growers have experimented with and are now planting a new variety of asparagus that produces higher yields and ships better. Third, we've seen a renewed interest in export markets which should help hold the price domestically."

"There are opportunities," Tjerandsen adds, "to merchandize pencil-thin asparagus as an upscale side or diced in salads and jumbo stalks for the grill. Stocking a variety of sizes is an excellent way to spur incremental sales." Martinez suggests building large displays of asparagus, especially when they are on sale, which will increase visibility and sales." Additionally, think about cross merchandising with spreadable cheeses, Hollandaise sauce, butter, lemon and olive

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Reader Service # 7

oil. "Clever retailers," says Tjerandsen, "will run a row of sliced mushrooms next to the asparagus, along with a recipe. This makes an eye-catching display and also promotes the sale of two high margin items."

CINCO DE MAYO May 5

"Sales of Hispanic/Latin items show a peak for Cinco de Mayo," says Melissa's Schueller. "This is a Mexican national holiday that has become Americanized and today is celebrated nationwide with fiestas, parades, piñatas and food."

Melissa's offers retailer's holiday-themed merchandising display kits that include shelf strips, danglers and three recipe pads. The recipes include Spicy Grilled Corn with Parmesan, Roasted Tomatillo Salsa and Classic Guacamole.

Chili peppers are in hot demand for many dishes served for Cinco de Mayo. Yet, this end of April and beginning of May time frame marks a transition between the crop coming out of Mexico and the crop starting in California, and as a result, supplies can traditionally be short. This scarcity might be even more pronounced this year as some Mexican growers have cut back or cut out production of chilies altogether in the wake of last year's food safety outbreak.

Frieda's Caplan recommends, "Retailers might need to get more creative this year.

Kroger & Publix Sponsor Creative Produce For Kids Promotions

Retailers who participate in the Produce for Kids (PFK) bi-annual promotion enjoy getting creative and putting a signature stamp on the month long event. In 2008, Kroger Co., Cincinnati, OH, hosted in-store scavenger hunts in its Dallas-Ft. Worth area stores. The event, which kicked-off the chain's 2008 PFK promotion saw kids race to find selected produce items while they also learned about healthful eating.

Meanwhile, the Publix GreenWise Market in Palm Beach Gardens, FL, also made the PFK promotion its own by integrating it into the chain's Apron's Kids Cooking classes. In two 1-hour classes, Publix Apron's staff taught children how to cook fun and healthy recipes.

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Photo courtesy of Fresh Supersweet Corn Council.

Providing consumers with new ways to prepare corn will boost sales.

For example, instead of promoting chilies for salsa as usual, it might be more profitable, for example, to advertise green peppers and onions for fajitas."

MOTHER'S DAY May 10

"Mother's Day, says Melissa's Schueller, "is a great time to promote omelet and breakfast ingredients such as herbs, mushrooms and fresh fruit."

Tjerandsen follows along with this morning meal theme and adds, "The California Asparagus Commission offers full color photos and recipes on its Web site that retailers can use in holiday-themed ads or at point of sales. Some of the newer recipes include an Asparagus Frittata with Red Bell Peppers, Asparagus Scramble with Herbed Cream Cheese and Tomatoes and California Asparagus and Mushroom Filled Crepes."

Recently, Frieda's has reformulated its crepe product and packaging. "This should offer retailers more success when merchandising crepes with berries," says Caplan.

"Mother's Day is the biggest strawberry holiday of the year," according to Chris Christian, vice president for trade and nutrition, California Strawberry Commission (CSC), headquartered in Watsonville, CA. If that wasn't enough, May is strawberry month. According to the CSC, California's strawberry acreage is up 3½ percent and so is both consumption and demand. Promotional supplies are available from late March and into August.

"Volume climbs from two million to the five million trays per week range fairly quickly," he continues. "The important message," she adds, "is that back-to-back promotions — that is promoting the week of a holiday and the week after — maximizes sales." There has been a notable increase in incre-

mental dollars per ad when promotions focus on 2- and 4-pound clamshells.

According to FreshLook Marketing data as provided by the CSC for the 52-week period ending June 30, 1- 2- and 4-pound clamshells of strawberries represent 67 percent, 16 percent and 7 percent of dollar share, respectively, at retail. "Optimally at display, says Christian, "1-pound clamshells should occupy 60 percent of the space and 2- and 4-pounders 20 percent each."

"Long-stem strawberries represent less than 1 percent of category dollars," says Christian, "However, they do increase in sales around holidays, such as Mother's Day, both for dipping and elegant desserts."

PRODUCE FOR KIDS SPRING CAMPAIGN Late May/Early June

Encouraging kids to eat healthfully, selling more produce at retail and charitable support of the Children's Miracle Network are key components of the Produce for Kids (PFK) campaigns. The spring campaign, which takes place in May and June each year, is PFK's primary fundraising effort. Heidi McIntyre, PFK's Orlando, FL-based marketing director, says, "During the spring campaign period, 100 percent of all funds raised directly benefit Children's Miracle Network affiliated hospitals in the participating retailer's communities. Sponsors make a per unit/box donation for each item that is shipped into the retailer's markets during the time period of the campaign. Therefore, consumers know that their purchase is making a difference in their community."

Over 2,000 stores and nine retailers currently partner with the program. Typically, there are five to eight sponsors per retailer. "[In 2008], we pushed beyond the Southeast and Northeast with King Soopers in Col-

orado signing on," says McIntyre. "This year, we hope to push through to the west coast and make this a nationwide promotion. We're currently in talks with a West Coast retailer."

The campaign provides retailers with customized point-of-sale materials such as floor stands, shelf tags and 7x11-inch cards with sponsor products. This spring, these materials will highlight Zac Sunderland, the youngest person to ever sail single-handedly around the world. Sunderland is expected to complete his voyage in May, and afterwards, serve as a PFK ambassador available for in-store promotions.

McIntyre explains the program in detail, "During the first week of the campaign, many retailers run a main feature ad and include the sponsors' produce and logos and an overview of the campaign. Then, about half way into the 30-day promotion, retailers will run a secondary ad with the PFK logo next to sponsor products as they appear in the ad. Sample ads, layouts and graphics can be easily downloaded from our website. In the spring," says McIntyre, "sponsors products may include packaged salads, Vidalia onions, pineapples, avocados and tree fruit."

The success of the PFK campaign is evident in dollars raised, which totals \$1.6 millions to date.

MEMORIAL DAY May 25

"The barbecue grilling season begins with Memorial Day," says Melissa's Schueller. "Many retailers capitalize on this holiday by stocking end caps with fresh produce such as summer squash, bell peppers and onions."

Specifically, Vidalia onions are synonymous with spring. John Shuman, president and director of sales for Shuman Produce, Inc., Vidalia, GA, says, "Vidalias start harvest mid-April, but most retailers begin promoting at the beginning of May and continue heavily right into the Fourth of July. The challenge this year due to the economy will be to come up with creative ways to promote. For example, instead of price alone, retailers can promote with words in ads such as 'new crop' or 'now available' as well as cross-promote and offer recipes as a way of adding value."

Grilled potatoes and potato salad are also mainstays on many barbecue menus.

Frieda's Caplan says, "For the last two years, we've offered our star-spangled spuds. This is a 2-pound mesh bag of red skin, Yukon gold and purple skinned potatoes. There's a recipe on the back for an

upscale potato salad. Sometimes we leave too much up to the imagination of consumers. This gives them ideas."

Fresh corn also holds an important place in Memorial Day meals, especially if the weather is warm. In April and May, supersweet corn ships out of Belle Glade, FL. Jason Stemm, spokesperson for the Fresh Supersweet Corn Council, Maitland, FL, says, "Peak production at this time out of Florida is 1 million crates per week."

There are regional and demographic differences, however. In general, 35 percent of the crop is yellow, 20 percent white and the

rest is bi-color. "As for pre-packs and tray-packs, this is now coming from the grower/shipper level rather than being done in store," says Stemm. "There's also been innovations from growers and shippers in ready-to-microwave corn products in whole ears and half ears or cobettes."

Provide customers with new and different ways to prepare corn. "For example," says Stemm, "move beyond grilling and boiling, to roasting in the oven perhaps with chicken and other vegetables, or skillet steaming which is really quick. You'll sell more corn."

pb



Tom with his grandson West Mathison – President of Stemilt Growers, Inc.

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After serving in World War II, Tom traveled to California to study harvesting and packing techniques and returned to the family farm implementing new methods and technologies.

Tom's innovative approach played a key role in bringing Washington fruit into Japan and China and helped to forge trade negotiations with Mexico.

Tom was also a leader in organic and sustainable farming. In 1989, he began the forward-thinking Responsible Choice® Program, encouraging growers to reduce their use of chemicals and pesticides. His philosophy helped Stemilt become a leader in organic & sustainable business practices.

Tom was a founding member of the Washington State Tree Fruit Research Commission, served in positions on the Washington Apple Commission, Northwest Fruit Exporters and many other industry groups.

A legend in our industry, Tom was indeed a visionary and will be missed by those who had the pleasure of knowing and working with him.

Florida Spring Produce Report

As springtime arrives, it's clear Florida is a produce powerhouse.

CAROL M. BAREUTHER, RD

Florida agriculture by the numbers is impressive.

This southern state's 40,000 commercial farms, which encompass 10 million acres, collectively grows enough oranges, grapefruit, tangerines, snap beans, fresh market tomatoes, fresh market cucumbers, squash, bell peppers, watermelons and sweet corn to rank first in the United States in the production value of each of these items, according to the 2008 Florida Agricultural Statistical Highlights, published by the Florida Department of Agriculture and Consumer Services (FDACS), Tallahassee, FL. It is springtime, when much of the rest of the nation is still blanketed by cold, that availability peaks for many of these fruits and vegetables.

Mike McGuire, director of produce at DeMoulas Market Basket, a 59-store chain based in Tewksbury, MA, says, "Florida is an important supplier for us. We run regular ads on a number of the state's produce items right through the spring. The 'Fresh from Florida' logo goes next to the product in the ad as well as at the point-of-sale. We think this definitely helps the merchandising."

THE SUNSHINE STATE'S NICHE

Florida is a monster in the spring in terms of products, says Dan Sleep, development representative supervisor for the FDACS. "The state ships millions of cartons and cases of 15 to 20 major commodities and several more minor ones all over the United States" Sleep adds, "Although our main market is east of the Mississippi and up the north-east corridor to Canada, Florida products do reach the West Coast and even up to Alaska via large chains such as Kroger, for example. We also send commodities around the world to over 100 countries."

Daniel Whittles, director of marketing and product development for Rosemont

Farms, based in Boca Raton, FL, says, "March and April volumes provide excellent promotional opportunities for items such as bell peppers, cucumbers, zucchini and summer squash. Combining the value of high quality with promotional pricing will always be a winning formula for retailers."

"Florida's spring window dovetails with production in other states to provide a seamless supply of products for both retail and foodservice customers," says Lisa Lochridge, director of public affairs for the Florida Fruit and Vegetable Association (FFVA) headquartered in Maitland, FL. "For example, Florida's strawberry crop winds down in late March/early April as California comes into peak production. Similarly, Florida's tomato crop slows in June, while California picks up in July."

Greg Cardamone, general manager for eastern vegetables at L & M Companies, Inc., headquartered in Raleigh, NC, says, "Florida's position provides a freight advantage to East Coast retailers. Mexico is in the market with tomatoes when we are and there would be a push to bring product through Texas rather than Nogales, which would offer freight savings to the east, but the infrastructure in Texas hasn't been perfected."

Despite a wide variety of spring crops, Florida — like other agricultural states — isn't without its challenges. Brian Rayfield, vice president of sales and marketing for J & J Produce, Inc., Loxahatchee, FL, says, "Generally speaking, Florida acreage is down. This is due primarily to the high costs of farming driven by fuel costs. Add to this the downturn in the economy and unknown demand. Farmers, like anyone else, are adverse to risk."

TOP CROPS

Florida is indeed an agricultural powerhouse. The 2006-07 value of production for the seven major vegetable crops, potatoes, berries and watermelons totaled \$1.83 billion, up 10 percent from the 2005-06 value of \$1.67 billion, according to the FDACS's Florida Agricultural Statistical Highlights published in 2008. Snap beans, cabbage, potatoes, squash, watermelon, strawberries and blueberries showed an increase in the value of production from the previous season's value. Alternatively, sweet corn, cucumbers, bell peppers and tomatoes



showed value of production decreases when compared to the previous season.

Tomatoes: In 2007, Florida supplied 36 percent of the total U.S. value for fresh market tomatoes — or \$464 million — according to FDACS's 2008 Statistical Highlights report.

"In the winter and early spring," says Jaime Weisinger, director of sales and purchasing for Six L's Packing Co., Inc., Immokalee, FL, "Florida will produce over 60 percent of the fresh tomatoes sold in the United States."

"The merchandising plus," says Chuck Weisinger, president of Weis-Buy Farms, Fort Myers, FL, "is flavor. We provide the flavor of a summer tomato in the winter."

The spring peak in tomato production is April and May, coming out of areas such as Homestead, Immokalee and Ruskin in overlapping weeks, providing a continuous supply. Fittingly, April is recognized as Florida Tomato Month.

Tony DiMare, vice president of DiMare Homestead, Inc., and DiMare Ruskin, Inc., in Homestead and Ruskin, FL, respectively, says, "We're in the tomato business 365 days a year, nine months out of Florida. But the big push is with the peak spring volume. Most retailers like to promote Florida tomatoes over the spring holidays."

"Out of Florida," adds Paul DiMare, presi-

dent of DiMare Homestead Inc., "we grow the four basic types of field-grown tomatoes:

"Florida's spring window dovetails with production in other states to provide a seamless supply of products for both retail and food-service customers."

**— Lisa Lochridge
Florida Fruit and Vegetable Association**

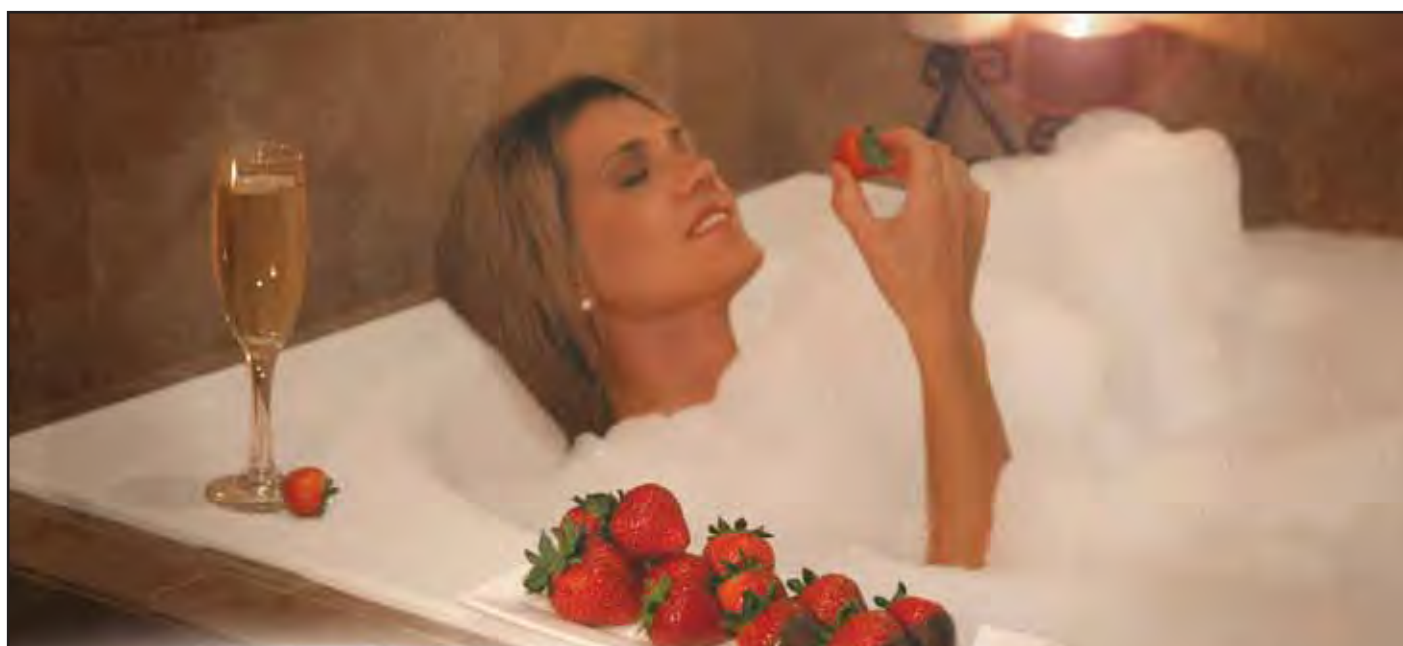
round, plum, cherry and grape. This is what's typically promoted and where the volume is."

The Florida Tomato Committee (FTC), headquartered in Maitland, FL, started its annual promotion in the fall of 2008 in an effort to restore consumers' confidence in

tomatoes following the Salmonella Saintpaul food-safety scare earlier in the year — a situation that cut many Florida growers' tomato sales in half. The promotion included a full color ad in the November issue of *Parade* magazine that stressed Florida growers' commitment to quality. The same ad will run again in March. Radio commercials with retail tags and a culinary tomato art tour ran in 15 markets in the Northeast and Southeastern United States during November and December. "The art contest was well received by retailers," says Samantha Winters, the FTC's director of education and promotions. "We plan to use the art from this contest in POS material this spring, along with tag lines that give consumers recipe and usage ideas. For example, one tag line says 'What salads crave.'"

Undoubtedly, food safety is something the Florida tomato industry takes seriously. Winters points out that "Florida is the first state in the country to adopt a comprehensive food-safety program with mandatory government inspection and audit for tomato handling, production and packing. This became effective July 1, 2008. It is the culmination of two to three years of work."

Six L's Weisinger specifies other precautionary methods that have been adopted by Florida tomato growers. "Specifically, there's




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no more field packing of tomatoes. Every field-grown tomato now hits a kill step — a chlorine wash — before it is packed and shipped. This has meant a capital investment; but in the long run, I think it will create a safer product, firm up the market and eliminate back door operations,” says Weisinger. “This is important as we’re still not back to the sales volume we had prior to the food-safety outbreak. And for tomatoes, it was just the mere suggestion they may be tainted even though tomatoes were eventually proven to not be the cause.”

Sweet Corn: In 2007, Florida growers

harvested 29,500 acres of sweet corn.

Mike Aerts, director of marketing and membership for the Florida Fruit & Vegetable Association (FFVA), says, “Florida produces a good bit more sweet corn on a per-acre basis versus a lot of other states. For example, in 2008, Florida cranked out 170 centumweight per acre [or 170 100-pound units] compared to 105 cwt per acre by Ohio and 85 cwt per acre by Michigan.”

The state’s peak production is in April and May, when 1 million crates per week are shipped out of Belle Glade and the surrounding Palm Beach County. Florida sup-

plies 20 to 25 percent of the country’s sweet corn, according to the Fresh Supersweet Corn Council (FSCC), based in Maitland, FL.

Doug Richardson, president of Weiser Farms Inc, in Belle Glade, FL, says, “It’s the muck soils in the glades that give the corn its sweetness.”

Newer varieties of sweet corn have been

“Florida’s position provides a freight advantage to East Coast retailers. Mexico is in the market with tomatoes when we are and there would be a push to bring product through Texas rather than Nogales, which would offer freight savings to the east, but the infrastructure in Texas hasn’t been perfected.”

**— Greg Cardamone
L & M Companies, Inc.**

developed by the University of Florida (UF), Gainesville, FL, and private seed companies and introduced over the past few years.

Jason Stemm, the FSCC’s spokesperson, says, “The term ‘super sweet’ is outdated. It’s now an umbrella term for shipping enhanced varieties that are sweeter and stay sweeter and tender. More grower/shippers that are pre-packing and tray-packing corn, including product-ready for the microwave and half-ears and cobettes, rather than this being done at store level.”

Just as the sweetness factor varies among different ears of corn, so too does the color, and each hue of corn has a distinct market. Weiser Farms’ Richardson says, “In general, the South likes the white and yellow. There’s a small market for white in the Northeast. Canada goes primarily for the bi-color. It all depends on the demographics of the shoppers.”

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Tom, Steve, Dave, Frank, Sam and John

Reader Service # 79

"Red corn," says Tom Nicholson, domestic sales manager for the Pompano Beach, FL-based Ben Litowich & Son, Inc., "has come out of Belle Glade over the past few years. It tastes like sweet corn, but it's more of a novelty in appearance."

This spring, the FSCC will utilize grant monies available from the Farm Bill and from the Florida Department of Agriculture to conduct a promotion to remind consumers that Florida is a major producer of sweet corn. Stemm says, "We'll tie this April and early May in-store promotion to a charitable organization of the retailer's choice. The idea is to let customers know about sweet corn from Florida and raise funds for specific charities."

Bell Peppers: In 2007, Florida accounted for 39 percent of the total U.S. value for bell peppers, or \$183 million, according to the FDACS's Statistical Highlights report.

"Bell peppers are a spring deal for Florida," says Nicholson, "as peak production is in April and May."

"The base market," adds Weis-Buy's Weisinger, "is for green, yellow and red bell peppers."

L & M's Cardamone says, "We're growing a new variety of field-grown bell pepper in Immokalee that has a thicker wall. More weight means a better value for the customer and longer shelf life for the retailer. We trialed a few acres [in 2008] and will double the acreage this year."

Leafy Greens & Cabbage: "Florida," says Nicholson, "is the nation's salad bowl in late winter and spring. For example, we grow salad greens such as escarole, Boston, green and red leaf, endive, green and red cabbage, parsley, kale and radishes."

Other Vegetables: "Cauliflower, cucumbers and eggplant, as well as snap beans, zucchini and summer squash are among the vegetables we grow and market," according to Scott Seddon, marketing and advertising specialist for Delray Beach, FL-based Pero Vegetable Co.

Duda Farm Fresh Foods, Inc., based in Oviedo, FL, grows and markets celery out of Florida from December through May. Nichole Towell, Duda's marketing development manager, says, "The company offers a full line of celery products, from organic celery branches to hollow celery straws. Now, our organic celery sticks are packaged in 8-ounce, zip-lock bags labeled with the USDA [U.S. Department of Agriculture] Organic Seal."

Citrus: Blue Lake Citrus Products, LLC, in Winter Haven, FL, produces premium and organic citrus juices year-round. However, there is a seasonal nature to the business. Wade Groetsch, president, says, "We'll

New Produce Offerings

Florida producers continually respond to market demand and adapt to the market forces at play," states, Lisa Lochridge, director of public affairs for the Maitland, FL-based Florida Fruit and Vegetable Association (FFVA). "In this regard, there's always something new."

Here is a sampling of the latest finds from Florida's growers and shippers:

- **Gourmet Wild Red Watercress.** This red-hued watercress will be marketed to foodservice this year exclusively by B&W Quality Growers, Inc., based in Fellsmere, FL. "This colorful variety has a patent pending based on its unique appearance and plant characteristics," says vice president of marketing, Andy Brown. The product is offered as a 12-count bunch box-packed in ice. However, the company may also introduce a 1.5-pound foodservice cello pack, if there is enough interest. Availability is November through March.

- **Heirloom-style Tomato.** The research and development team at Immokalee, Florida-based Six L's Packing Co., Inc., created a hybrid, field-grown, red, vine-ripe tomato with heirloom qualities. "Flavor is the selling point of this premium tomato," explains director of sales and purchasing, Jaime Weisinger. The tomato is selling this season to retail and foodservice in a one-layer 15-pound box.

- **Mini Sweet Peppers.** This is the second season that Pero Vegetable Co., LLC, Delray Beach, FL, will market its red-, yellow- and orange-colored, mini sweet peppers in 1-pint dry clamshells. Availability is November through May. "There's bi-lingual

labeling on the pack in order to market the product in Canada," notes Scott Seddon, Pero's marketing and advertising specialist.

- **Subtropical Peach.** After 50 years of development, plant breeders at the University of Florida have successfully created a subtropical peach cultivar that was released for commercial planting in 2005. Four-hundred acres are in production, slated to increase to 700 acres in 2009 and double and triple this number over the next few years. "The challenge," says Evelyn Harrison, market researcher for the Florida Department of Agriculture and Consumer Services' (FDACS) Division of Marketing and Development, in Tallahassee, FL, "was to develop a peach that required low chill hours in order to develop a sweet taste and also to be able to ship well."

The Florida peach is available from late April through early May, a window that falls between imports and the start of the Georgia and California crop-growers that are currently supplying Publix and Sweet Bay. "The marketing trick, Harrison adds, "is convincing consumers that this peach is ripe even when it's still firm. This will take a consumer education campaign."

- **Tasti-Lee Tomato.** This fresh-market vine-ripe tomato, developed at the University of Florida, has a high lycopene content and corresponding deep red color. Flavor rates superior based on the results of sensory panels, a consumer panel, and numerous sampling from field trials. "Consistent quality should attract repeat purchases at retail," according to FDACS' Harrison, "and it should also be popular with fine-dining restaurant chefs."

pb

use different varieties of tangerines; for example, honey tangerines in the spring." This year, the company introduced its Nobel Select line of orange and grapefruit juice. "The concept," says Groetsch, "is tree to bottle. The product is gently pasteurized and bottled into half-gallons now and perhaps a 32-ounce size in the future. It's ideally merchandized in the produce department with the premium juices."

RETAIL OPPORTUNITIES

According to the FDACS's 2008 Florida Agricultural Statistical Highlights, Canada is a leading importer of Florida produce, bring-

ing in over \$291.4 million worth of fresh fruits and vegetables. For example, Florida produce is aggressively stocked and promoted at Sobeys, Inc., a 1,300-store chain based in Stellarton, Nova Scotia, Canada, that operates under the Sobeys, IGA Extra, IGA, Foodland and Price Chopper banners.

Merchandising manager Francis Berube says, "Florida is very important to us, especially in the winter and spring when fresh produce isn't as available from Quebec, and when freight for the same items from California can cost nearly double. In the spring," Berube adds, "we'll carry field tomatoes, sweet corn, strawberries, and a variety of



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green vegetables. We'll also advertise these items in our weekly flyer and accompany each with the 'Fresh from Florida' logo." Sobey's also operates a produce brokerage business based in Boynton Beach, FL.

A number of grower/shippers assist retailers with their merchandising efforts throughout Florida. For example, Rosemont Farm's Whittles says, "We provide a number of client-specific support activities including cross promotional tie-ins and in-store sampling programs."

Pero's Seddon adds, "We do a lot of ad planners and offer promotional ideas."

Kirby Johnson, owner of Flavor First Growers & Packers, located in Mills River, NC, says, "We'll plan promotions with chains four to five weeks out and then follow up on a day-to-day basis with availability, pricing and quality."

Many growers and shippers will join in promotions orchestrated by the FDACS.

Blue Lake's Groetsch says, "We've participated in the 'Fresh From Florida sweepstakes Win-A-Trip to Florida' by advertising the promotion on a neck tag that hangs from our bottles of juice. We've also taken part in sampling events."

The FDACS begins work with retailers mid- to late-summer to plan the two main promotions for the upcoming Florida season: Global Grid and Winter Circle. Global Grid is in its 8th year and reaches some 9,500 stores. Winter Circle is in its 9th year and encompasses 1,200 stores. Both promotions are based on ad incentives for Florida produce. "Both of these promotions take place at the same time, from November to mid-May, and mirror each other," says the FDACS' Sleep. "The main difference is geographic. Winter Circle is primarily a Florida promotion," whereas Global Grid focuses on the Eastern and Midwestern regions of the United States and a few Canadian provinces.

"Retailers," says Sleep, "use to average ads on eight items per season. Now, we're seeing 30 or more ads on 15 or more different produce items. Consider that retailers see a \$1,100 to \$1,200 lift per store per item on ad."

Last year, 41 retailers in the United States, Canada and around the World, representing over 11,000 total stores, participated in either Global Grid or Winter Circle. "Promotions generated an estimated \$710 million in retail sales that converted into \$128 million in cash receipts for farmers," says Sleep. "This translated into 4,300 jobs, and from these jobs, \$16 million in additional tax revenues."

The effectiveness of the programs in growing sales of Florida produce is evident by the numbers. "For example," says Sleep,

"in 2003, there were 329 retail ads for Florida blueberries representing \$18 million in retail sales. In 2007, there were 4,700 store ads and \$39 million in retail sales."

"This upcoming year," says Sleep, "we're looking at organizing a retail trade conference. When we did this with Sobey's a few years ago, we sold several million dollars worth of new contracts by putting several of our producers in contact with a new buyer."

The FDACS also conducts promotions such as taste demos in international markets with select produce.

FOODSERVICE OPPORTUNITIES

Florida produce finds its way into everything from white tablecloth to fast food restaurant menus. For example, a variety of Florida-grown fruits and vegetables as well as seafood star on the menu at Chef Allen's, popular and longstanding restaurant in Aventura, FL. "Sourcing Florida-grown product," says Susser, "isn't the easiest. You need to be out there with the farmers and aggressive with purveyors to let you know what's available. I had to push my local purveyor at first. Now, they put out a weekly sheet that shows the availability of local produce."

While there are various advantages to stocking a restaurant with locally grown produce, "Flavor is the big benefit of buying locally," says Susser. "It's farm direct to the restaurant. There's less storage, a higher quality as a result, and fresh fantastic flavor. Another plus," Susser says, "is that customers today want to know where their produce comes from. People come to Miami from all over the world and they want to sample the local cuisine."

Susser works Florida produce into his menus in a variety of ways. And why not? Florida produce is often the cream of the crop amongst spring produce. For example, there's a Tomato Mozzarella Brochette with Balsamic Drizzle appetizer that features Florida tomatoes in season. The Conch Ceviche incorporates Florida limes, lemons and bell peppers. Each spring, Susser hosts his famous five-course stone crab dinners where, he says, "I use as many local fruits and vegetables as possible." There are also farm dinners, where Susser sets up his outdoor field kitchen and creates an upscale and delicious menu that uses the local farmer's products.

Some one thousand miles to the north, sweet corn is a signature menu item at Café Havana in New York City. The FSCC's Stemm says, "People line up at a take-out window to get an ear of fresh foil-wrapped corn on a stick that's spread with Cotija cheese, chili flakes and lime juice. The own-

Florida is indeed an agricultural powerhouse. The 2006-07 value of production for the seven major vegetable crops, potatoes, berries and watermelons totaled \$1.83 billion, up 10 percent from the 2005-06 value of \$1.67 billion, according to the FDACS's Florida Agricultural Statistical Highlights published in 2008.

ers source the fresh corn from Florida during the winter."

Florida produce has even trickled down to fast-food restaurants. "Subway's recent promotion of its \$5 foot-long subs was a boon to Florida tomatoes, says DiMare's Tony DiMare. "The promotion was a success because it offered a great value in these challenging economic times. And, everything on those sandwiches, including the tomatoes, rode along on the boon."

"Foodservice is the largest part of our business," according to J & J Produce's Rayfield. "In recent years, we've packed product in smaller packs — 5-, 10- and 15-pound packages for small restaurants that can't use a 50-pounder."

Flavor First Growers & Packer's Johnson, adds, "We market the Number Ones to retail and Number Twos to foodservice. The eye-appeal isn't as important in foodservice, plus the price is 20 to 30 percent cheaper, which allows foodservice operators to meet their menu costs."

Like retailers, the FDACS assists foodservice operators connect with Florida farmers. Justin Timineri, the FDACS's executive chef and culinary ambassador, says, "We offer seasonal availability charts that are based on a number of previous crop years. These give chefs a handle on what is available when. We've also organized farm tours for the chefs, so they can see for themselves what's available."

pb

Greenhouse Produce Demand Expected To Rise

Despite a rough economy, consumers are willing to pay more for greenhouse produce if it's merchandised properly.

BY TRISHA J. WOOLDRIDGE

With enhanced awareness of traceability, the environment and food quality, consumers who are pinching pennies may appreciate the value of greenhouse produce.

The price tag may still be higher in some cases, especially with certain specialty items, but experience in 2008's volatile market has given more growers insight on how to cut costs and still maintain a quality product. While uncertainty and potential struggles in 2009 exist, greenhouse produce demand is expected to increase as more consumers become aware of the very things that give greenhouse produce its value: consistent quality, the ability to trace food back to where and how it was grown and continued sustainability efforts.

"There's still a lot of uncertainty about the economy and how it might affect consumers in 2009," reports Dwight Ferguson, CEO of Eurofresh Farms, Wilcox, AZ. "I think it's safe to say they'll still appreciate the great value greenhouse-grown products represent, especially when considering their exceptional flavor and consistent availability on a year-round basis."

Chris Veillon, marketing manager for Mastronardi Produce Ltd., a Kingsville, ON, Canada-based grower and packer that markets product under its Sunset label, recognizes a demand for higher-end produce. "At a time where the word recession is still a bad word, people still need to eat," he explains. "While they may no longer go out for an expensive dinner and spend a few hundred dollars, they're now more likely to entertain more often and spend more on the groceries, including produce."

As the market adjusts to the changing economy, suppliers and retailers weigh the basics of supply and demand with factors determining margin. While there is always a lot of factors in determining the price of product, profit comes down to if supply matches demand for the product at a margin greater than the cost of providing product. Greenhouse produce, especially in facilities with higher technology requirements, already has a higher cost of production. Is there enough of a demand for the greenhouse price points to consume what greenhouses supply?

The issue of supply and demand holds many conflicting opinions. Alberto Maldonado, general manager at the Nogales, AZ-based Melones Internacional, which markets its own Plain Jane brand of greenhouse vegetables, says it's too early in the season to tell anything about supply.

Eurofresh's Ferguson, however, predicts, "Greenhouse supply shouldn't vary much in 2009. High-tech [permanent, glass and steel, heated and cooled] greenhouse acreage hasn't increased much since 2006. Generally speaking, greenhouse operators can change or adjust product mix to match demand conditions in the market."

"The supply and demand of produce continues to flow with little impact to date," agrees Mastronardi's Veillon. "People still want the specialty items that we grow. The cost continues to be stable. We are fortunate enough to grow and market our products 12 months a year and source from our greenhouses from around the world."

On the other hand, Scott Seddon, brand manager at Pero Vegetable Co., LLC, Delray Beach, FL, expects consumer and retailers to continue to demand greenhouse-grown produce due to increasing interests in sustainability and because they're becoming more accustomed to the quality characteristics that greenhouse produce provides. "In terms of demand, there are more people growing it, but it's an expensive form of agriculture," he adds. "There are a lot of things to consider, whether it be



heating or humidity."

Greenhouse supplies are increasing every year in acreage and yield, according to Jaime Hernandez, sales director at Rene Produce, LLC, Nogales, AZ. "It's been a boon for the last five to eight years." If the growth of greenhouse production continues at this rate, he sees the potential for an over-supply situation. But, if that happens, "The market itself will take care of the situation." More product will create more availability and drop the price. If the price is too low for some growers, they will leave the market and that will fix supply.

Jay Colasanti, president of Red Zoo Marketing in Ruthven, ON, Canada, agrees. "Supply and demand manages itself. As demand softens, you need to lower prices, induce more sales and promote more."

Supply and demand is related to how quickly consumer behavior and demands change. "Growers normally put in a crop that lasts 90 days to six months," states Fried de Schouwer, president of Vero Beach, FL-based Greenhouse Produce Co., LLC. Consumers, however, can change trends on a weekly basis. Even if a grower shifts gears to match trends, by the time the crop is ready,

the demand may have changed again.

"Uncertainty in demand is the greatest difficulty facing the greenhouse industry for 2009," notes Jamie Mastronardi, vice president at Ruthven, Ontario-based Golden Jem Produce. "Despite the uncertainty," he points out, "currently, the market is better prepared for 2009 as a result of lower fuel costs and the efficiencies learned from higher input costs."



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While uncertainty and potential struggles in 2009 exist, greenhouse produce demand is expected to increase as more consumers become aware of the very things that give greenhouse produce its value: consistent quality, the ability to trace food back to where and how it was grown and continued sustainability efforts.

Gurmail Mudahar, PhD, vice president, Taniamura & Antle, Salinas, CA, says, "Supply is controllable. We can control yield from seedlings to within 2 to 3 percent of demand." Unlike field-grown produce, he explains, the greenhouse does not need to grow extra to hedge against potential disasters, infestations or loss of crop because these things are controlled.

Pierre Dolbec, vice president of sales and marketing for Mirabel, Quebec, Canada-based HydroSerre Mirabel, Inc., agrees, adding, "We can stagger the seeds so product will meet demand." HydroSerre has become more involved in foodservice, which helps eliminate any extra supply.

A growing number of retail and foodservice customers want to purchase locally. While local may just mean domestic for some customers, others are looking to buy in their region. "People want to buy in the

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country — in their area,” explains Allen Frazier of Mr. D’s Food Fair, a single-store operation based in Brookfield, OH. “They want to keep jobs in the area and crops in the area.” While some companies address this concern by opening more greenhouses to service local areas, this trend might have a negative effect on greenhouse produce grown out of the country. Since the mandated country of origin labeling, Frazier has seen a clear increase in people looking for U.S. products.

Ed Laster, produce specialist at Metropolitan Market, a Seattle, WA-based chain with six stores, points to a higher supply in greenhouse produce. The retailer conducts many promotions to create demand. For tomatoes, Metropolitan Market sells more greenhouse tomatoes-on-the-vine than field-grown, and cucumber sales are split 50/50 between greenhouse and field, but growing in the direction of hothouse. “I would like to see more greenhouse produce, because it is very high quality and very consistent throughout the year.”

Raymond Gong, owner of General Food Store, a single-operation store in Woodlake, CA, would also like to see more greenhouse produce, but his experience has been different from Laster’s. General Food Store caters

“I would like to see more greenhouse produce, because it is very high quality and very consistent throughout the year.”

**— Ed Laster
Metropolitan Market**

to low-income consumers who do not necessarily see the value in higher-cost produce items. “If I had customers who would buy greenhouse produce, I’d bring it in.”

POSITIVE AFFECTS OF SUSTAINABILITY

When it comes to balancing supply and demand, sustainability is more than a buzzword. Keeping “green” in mind actually

helps many greenhouse growers lower their costs by reducing or even eliminating waste, fuel, fertilizer, water, the erosion of soil — and can even provide better working conditions for laborers. Additionally, going green adds to the value of the product as it is more natural and less processed.

“It allows you to better utilize your excess water,” explains Pero’s Seddon. “Everything drains back into the system.”

According to Vince Choate, director of marketing at Hollandia Produce, located in Carpinteria, CA, “Greenhouses produce more units per square foot on increasingly limited arable land for longer periods of time with reduced agricultural inputs.” Furthermore, the already reduced inputs are contained and recycled, which minimize the environmental impact.

“Greenhouse applications are the furthest we’ve come in growing to sustaining the environment,” notes deSchouwer of Greenhouse Produce. “We can recycle, reuse, purify and sterilize.”

“No product is ever dumped into the environment,” adds Hydroserre’s Dolbec. He describes how all water is recycled, and how the hydroponic system allows the exact nutritional levels to be met and absorbed into the plants. Hydroserre discovered that



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it could lower its fuel and energy consumption by heating the water for its lettuce rather than the air. "Everything you learn advances the technology," he explains. Heating the water and using the lettuce as a natural insulator "is sustainable because we don't use the earth's resources time and time again."

Melones' Maldonado says the greenhouse industry continues to learn more about sustainability and good growing practices. "You never stop learning. Greenhouse is a different type of agriculture; it probably protects the environment for everything."

Many greenhouses have lower carbon footprints because they heat with natural gas and collect the carbon dioxide that the plants need to grow, according to Red Zoo's Colasanti. This supplies the heat and can grow the produce with minimal waste and carbon output through much of the season.

"We launched our Green Grass Project at the PMA [Produce Marketing Association Fresh Summit] that highlights our ongoing commitment to a sustainable environment," reports Mastronardi's Veillon. Some of the points for the Project include using biodegradable waste coconut husks; integrated pest management to eliminate pesticides; recycled water; bleach-free recycled

boxes; clamshells made from recycled bottles; and energy-efficient fluorescent lighting. These environmentally-friendly efforts

"The truth is, if consumers are correctly educated, if they realize the produce is better, it's better for the environment and is a better overall product, it will increase demand."

**— Fried de Schouwer
Greenhouse Produce
Co., LLC.**

should serve as an example for other companies to follow.

The hydroponic setup of Tanimura & Antle's Tennessee facility creates an envi-

ronment that can be worked by anyone because it doesn't require extensive hours in the elements, heavy lifting or bending or grueling work. "People like the work; they like the environment," adds Mudahar.

INCREASING PERCEPTION OF VALUE AND SALES

The value of greenhouse produce should be evident in consistent quality, better appearance, sustainable practices and effective traceability and accountability. Not a lot of consumers are aware of these things, so it falls on the retailers to enhance the perception of greenhouse produce value.

An increasing number of consumers want to know where their food comes from. While COOL is now required in stores, many greenhouses offer the ability to trace food back beyond country of origin. "We can trace a product back to each individual pool," states HydroSerre's Dolbec. "Based on the package and case, we can provide the whole pedigree of the product."

Mastronardi of Golden Jem adds, "We would like to see consumers more educated on the benefits of hydroponic greenhouse vegetables. The hydroponic greenhouse industry is a global leader in food safety. Consumers can feel confident that when

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The Importance Of Control

A major part of greenhouse growing is balancing the variables that growers have control over with the variables they do not. Fuel prices, exchange rates and maintenance costs may be out of a grower's hands, but fuel usage and overall efficiency can be controlled and utilized to lower costs.

"Volatile fuel prices have increased our costs significantly," explains Dwight Ferguson, CEO of Eurofresh Farms in Wilcox, AZ. "Climate-controlled, high-tech greenhouses are very dependent on energy — heating in the the winter, cooling in the summer — so any kind of cost increase, especially like that experienced in 2008, makes it tough for us to operate with a margin."

However, having to struggle with this cost created the opportunity to discover better control over fuel usage, according to Jamie Mastronardi, vice president of Golden Jem Produce, located in Ruthven, ON, Canada. "With this pressure, growers have been forced to focus on achieving cost-saving efficiencies. Any relief in fuel will benefit the greenhouse industry." Some companies,

such as Hydroserre Mirabel Inc., in Mirabel, Quebec, Canada, and Salinas, CA-based Tanimura & Antle have either limited their distribution to more local areas or opened greenhouses in the regions where demand existed to reduce transport costs.

Fuel impacts greenhouse production in many ways, such as the energy needed to maintain the environment, which is a source of fertilizer, packaging and transportation, states Vincent Choate, director of marketing for Hollandia Produce in Carpinteria, CA. What makes things more difficult is that while gasoline may fluctuate with crude oil costs, the other components, such as packaging and fertilizer, do not adjust as quickly.

"The main costs of heat, fertilizer, labor and capital are up by 20 percent or more," notes Fried de Schouwer, president, Greenhouse Produce Co., LLC. "Greenhouses have not been able to control these things, but retailers still demand a lower FOB price." As a means to take more control, he suggests, "Greenhouse produce must shift. Growers should look at other products, such as herbs

or melons, but it takes time to change."

In addition to fuel costs, the recent exchange rate volatility between the Canadian and U.S. dollar has affected profits. This has led to a rollercoaster in changing product mix and trying to keep up with consumer demands. On the other hand, "Growers of Ontario have been consistent for Red Zoo Marketing," he adds. "They maintain consistent crops. They don't change from crop to crop or bounce around from product to product. They look for long-term goals."

"The exchange rage goes back and forth and we're used to that," reports Alberto Maldonado, general manager at Nogales, AZ-based Melones Internacional. "When you are going through changes in the economy, it's hard to say what you will experience or what to expect." However, he is quick to point out how important it is to control what can be controlled, such as the treatment of the crop from seed to post-harvest. "We protect the product. We treat it a little differently than open-field growers from growing to packing, to better preserve the quality."

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they arrive at the greenhouse section of the produce shelf, they can expect consistently high quality safe vegetables."

"Anything like talking about sustainability that even begins to raise the awareness of the consumer is a good thing," notes Metropolitan's Laster.

"The truth is, if consumers are correctly educated, if they realize the produce is better, it's better for the environment and is a better overall product, it will increase demand," de Schouwer adds.

"You must educate customers," stresses Gong of The General Food Store. "Greenhouses can grow more consistent product year-round. The consumer doesn't understand it is a cleaner and safer product."

"Greenhouse produce is your best quality choice, year-round," summarizes Veillon. "While field produce is at best 50 percent predictable, greenhouse technology allows for day-to-day, plant-by-plant nurturing. With every aspect of the growing process controlled, we can irrigate when it's dry, we can increase heat when it's cold outside, all of our plants are protected from the severe elements, and we do not use pesticides but instead we use Mother Nature's little helpers such as lady bugs and bumble bees. What can be improved is educating not only retail executives but also educating the general public."

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Reader Service #32

Feeding THE FUTURE

Farmers and wholesalers serving the Ontario Food Terminal look forward during challenging times.

BY DAMIAN ROGERS

While the world economy is slowing down, Canada's largest wholesale fruit and produce market is responding to the rapidly changing industry with an eye toward growth. The Ontario Food Terminal, located in Toronto, ON, serves an expansive geographical area, including the entire province of Ontario, parts of Quebec, upstate New York and even the Maritimes.

"Montreal has a nice farmers' market," says market manager Bruce Nicholas, "but they don't have a terminal market like this." He says between its wholesalers and its thriving farmer's market, the Ontario Food Terminal sees an average of 5.1 million pounds of produce coming out of the terminal every day, adding up to an impressive 950,000 tons a year. "And that doesn't represent all the business being done, because many loads go directly out of warehouses based on sales made here on the floor."

In fact, most of the wholesalers have warehouses outside of the horseshoe-shaped terminal, since the 80,000-square-foot cold storage facility isn't large enough to accommodate all of the tenants' needs. "About 80 percent of my business comes out of my facility ten minutes from here," says Lorie Goldfarb, vice president of Morris Brown & Sons Company Ltd., a Toronto-based company, who also feels the terminal isn't an appropriate environment for repacking. "I'm here for presence. People want to see me — I'm the tomato guy. This is where the personality is, this is where the action is."

It's this spirit of personality in action that drives the market — customers still walk the floor every day, conducting business and stopping to chat along the way. It's no surprise that strong relationships remain the foundation of everyone's business. "We cater to the independents, not the chains," says Danny Simone, a buyer at Stronach & Sons Inc. "We have a little bit of everything and we have fresh product every day. Our customers don't have to ask, 'When did this come in?' They know it came in today or yesterday — 100 percent goes through the front door."

These relationships also extend to customers calling from across the continent. "Sometimes suppliers will call me for my opinion," says Steven Green, vice president of Toronto brokerage firm Richard E. Ryan & Associates. "They want to know what's going on in the market, what's going on in Toronto. They're able to pig-

gyback on all the research we've done — it's about goodwill, trust and integrity. We've been in this for 25 years and it comes down to your reputation. We have a stellar reputation."

THE LAY OF THE LAND

The Ontario Food Terminal is a provincial government facility located on 40 acres of highly valued Toronto real estate, just west of the downtown core and north of the lakeshore. The terminal is owned by the Canadian government, which offers perpetual leases to individual companies, good until 2053. There have been occasional rumors about moving the facility out of the city and into the suburbs, where there would be more room for expansion. According to Ian MacKenzie, executive vice president of the Ontario Produce Marketing Association, this is unlikely, since the city of Toronto has done studies that prove the economic benefits of the jobs provided by the terminal. "I don't see it moving in the short term," he says.

A good indication of this confidence is the extensive renovations made to the terminal in the last couple of years, including many safety improvements like extending the loading docks, replacing plates with built-in dock levelers, an increased number of surveillance cameras and designated pedestrian walkways. "We're working hard to make sure it's a safe work place," says Nicholas, "by hook or by crook."

Nicholas has been at the terminal since 1975 and he is clearly committed to pushing the facility forward to ensure its continued growth and success. "We're not perfect," he says. "We have a long way to go. But we're one of the best markets around."

WORLD-CLASS CITY, WORLD-WIDE MARKET

Toronto is justifiably proud of its diversity. Half of the city's population was born outside of Canada, which makes for a very international market. New immigrants have traditionally entered the produce business, often as independent retailers, and they are uniquely poised to introduce new products favored by their own communities. One of the biggest benefits of being on the market is the opportunity it gives wholesalers to hear about new things.

"We focus worldwide," says Sal Sarraino, CEO of Fresh Taste Produce Limited Canada,



Gus Bondi of Bondi Produce Co. and Lori Goldfarb of Morris Brown & Sons Co.



Vic, Tina and Rick Carnevale of Veg-Pak Produce



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TORONTO MARKET PROFILE

whose Toronto-based company specializes in off-shore importing, working with 28 countries around the globe. "We use the food terminal as our office so we feel the beat," he says. "I'm always looking for the new countries with new products."

A perfect example of a new addition to the market is the Indian bitter melon, which recently saw a swift spike in popularity. Multilingual Dorjee Namgyal, a buyer and salesman for the Toronto-based Veg-Pak Produce Ltd., explains that the vegetable, prized as a blood purifier, "has picked up in volume 70

percent in five years."

Vic Carnevale, the owner of Veg-Pak — who immigrated to Toronto from Italy in late 1960s — loves the market's cultural mix and credits his multilingual sales staff for bringing their knowledge to keep up with new demands. "We shop the world. Canada is the best country for food service," he says. "There's a minimum of 50 different countries represented here at the market."

CONTINUING TRENDS

Consumers continue to be hungry for



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Veg-Pak Produce



Dorjee Namgyal of
Veg-Pak Produce



Vince Carpino and Frank Uvamide
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Anthony Pitoscia of
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healthier options, like organic, eco-friendly and locally-grown produce. Anthony Pitoscia, a buyer with Fresh Advancements Inc., a wholly owned subsidiary of Bamford Produce Co. Ltd., in Toronto, ON, which claims to be the only full organic line in the market, recognizes the value of capitalizing on these trends.

On one of his frequent business trips to California, Pitoscia saw that airlines were offering the opportunity to offset the estimated carbon footprint of a flight for a small fee. A light went off and now Fresh Advantages



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TORONTO MARKET PROFILE

Inc. is on the brink of becoming a carbon-neutral company. "My partner Steve and I are always looking for where the business is going," he says. "This is a business opportunity to be unique."

The market has also benefited by successfully marketing the health benefits of specific fruits and vegetables. "We are a more educated society than we ever were," says Richard Rose,

vice president at Gambles Ontario Produce, Inc. "People are a lot more aware of themselves. With as many pomegranates as I have this year, which are so antioxidant rich — this is real food — it's phenomenal to see how people have responded. They should promote more things like this because it's really great for the industry."

"Local" is a big buzzword in Ontario, and

Three Under 30

The next generation of Ontario Food Terminal's family businesses

While it's less common for kids to follow in their parents' footsteps than it used to be, a fresh crop of Toronto talent proves that the produce business still has a bright future. Julian Sarraino, 23, is the fourth generation to join Fresh Taste Produce Limited Canada, now run by his father, CEO Sal Sarraino, and he started eight years ago with a broom. He worked every summer, each year graduating to a new area of the business, giving him an invaluable understanding of how the company operates at every level. "It wasn't until my third summer that I was even allowed on the dock," Julian says with a smile. "I know this place from the bottom all the way to the top."

Julian, who is now in sales at Fresh Taste, is graduating this year from the University of Toronto with a Geography degree. "People ask me if I'm going to be a teacher," he says, rolling his eyes. He explains that his studies will help him understand the conditions of growing regions all over the world. "Hopefully we will become giants in this industry," he says. "There's not a guy I'd rather work harder for than my father."

Over at Streef Produce Ltd., Chris Streef, 26, has been working for six years for the company started by his father and his four uncles in 1977. Like Julian Sarraino, he says, "I've done every job there is here."

Streef Produce is a wholesale and supply company, but they are also unique in the food terminal for being a farm-based corporation. "We specialize in potatoes and beans, and now baby carrots," he says. "We're the only commission house that is also growers."

The company suffered a tragic loss when Chris's father, Martin Streef, died of cancer last spring. Martin was president of Streef Produce at the time and the company has been undergoing restructuring since his death, with Chris taking a larger role in the family business. "I've really been pushing



Tina Carnevale of Veg-Pak Produce



Chris Streef of Streef Produce

Chris," says Peter Streef, Chris's uncle. "I'm really proud of what he's been able to do."

Tina Carnevale, 29, also followed her father, Vic Carnevale, into the business. She now oversees all the accounts payable for his wholesale and packaging company, Veg-Pak Produce Limited, the home of Pop-I Spinach. "I've been coming down here since I was a little girl," she says. "I was probably 10 when I started coming in with my dad. I started working the odd weekend, and then it went part-time." Tina wanted to go to college before deciding whether or not she would join the family business. After finishing her Bachelor of Science at the University of Toronto, she came to work at Veg-Pak full time. "I took it as it came. I ended up staying here; it's a great environment," she says.

Asked if it's strange being a young woman in a male-dominated business, she shrugs it off. "It's not bad; there's pros and cons to being a woman here. I love the atmosphere," she says. "It's a whole different world down here and you get to meet so many different people from all walks of life. It's like we're one big family."

pb



Ted Kurtz of Stronach & Sons Inc.



Danny Simone of Stronach & Sons Inc.



Barry and Steven Green of Richard E. Ryan and Associates



Kuldip Sandher and Joe DaSilva of Ippolito Fruit & Produce



Ross Pizzurro of Tomato King Ltd.



Richard Rose of Gambles Ontario Produce

while the growing window keeps expanding — especially for items like potatoes, which Peter Streef, secretary/treasurer of the Princeton, Ontario-based Streef Produce, says are now available almost year round — the average consumer often doesn't understand the limitations of a northern climate. "How many people think about the food supply?" seconds Rose. "They say, 'I want strawberries' — in January. Well look outside; you have snow. That means the farmer has snow too."

Pitoscia runs into similar problems with customers wanting to buy local, but who also expect more variety in the winter. "You can get

TORONTO MARKET PROFILE

root vegetables, but most people start to get sick of soup by mid-November," he says.

There is also an increasing interest in biodegradable packaging, particularly as the city of Toronto has approved restrictions on certain plastics, forcing consumers to pay for plastic bags at retailers and banning the sale of plastic bottles of water at City Hall and civic centers. "If I was going to go into another area of the business," says Goldfarb of Morris Brown & Sons Co. Ltd., "I'd get into naturally biodegradable packaging to replace plastic."

Brands continue to be a powerful part of the puzzle. "You're telling a story every day by creating a basket of goods. Some customers are very brand conscious, and for others, a certain label doesn't matter," says Barry Green, president of Richard E. Ryan & Associates. "You still see some beautiful brand loyalty."

NEW CHALLENGES

It's still unclear how the floundering economic climate will affect the market in the coming year, as variables like gas prices, fluctuating exchange rates and shifting consumer habits all play a role. Wholesalers, brokers, repackers, growers and suppliers are all wondering how to anticipate where things are

headed next. "That's the million dollar question," says Joel Ippolito, chairman of Ippolito Fruit & Produce Inc., a company his family founded in Hamilton, ON, during the depression of the 1930s.

So far, most companies haven't seen a big impact in their bottom-line, though patterns might be changing. Some are speculating that tougher times may have an impact on consumer buying habits, suggesting that exotic, luxury items may take a back seat when grocery budgets are stretched thin. "Why not buy a bag of potatoes rather than a star fruit?" asks Simone at Stronach & Sons Inc.

For some, new priorities can be profitable. "People are more likely to entertain at home rather than go out," says Ippolito, "and a lot of our business is retail-oriented."

For many wholesalers, when sales drop out of one end they often move to a different sector of the business. "When the economy slows down, people tend to stay in rather than running to the restaurant," agrees Vince Carpino, produce buyer at Toronto-based Tomato King Ltd. "You pick up in one area what you lose in another so it works out in the end. The dollar's more of an issue than the economy."

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TORONTO MARKET PROFILE

As the value of the American dollar rises and falls — sometimes several times a day — importing and exporting becomes that much trickier. “The exchange has had a tremendous effect on our ability to buy and sell,” says Goldfarb. “Money is becoming a commodity to trade within.” While the produce business is always a game of risk, this has added a new variable to track.

Ippolito agrees. “I watch the weather channel in my office every day,” he says. “Now I switch between the weather channel and

financial television — they get equal billing.”

Still, even with all this increased instability, the mood in the terminal is generally optimistic. After all, people have to eat. “If you get hungry enough, you’ll trade a Mercedes for a loaf of bread,” says Streef.

MORE THAN JUST WHOLESALE

One of the ways that wholesalers continue to grow is that many have diversified into other areas of the business. Sarraino of Fresh Taste claims to be the biggest importer at the

Ontario Food Terminal, working with countries as disparate as Argentina and Lithuania. “We do it all,” says Sarraino. “Packaging, repackaging, logistics, importing, exporting and shipping.”

It’s still unclear exactly how the floundering economic climate will affect the market in the coming year, as gas prices, fluctuating exchange rates and shifting consumer habits all play a role.

For Rose at Gambles, which does a little importing and has moved into the trucking business, breaking into these areas is a natural evolution. “It’s all part of being a good wholesaler,” says Rose. “It’s best to improve on what we did yesterday.”

And being a successful wholesaler often means that you are in demand as an expert in your field. “Part of what I do is a lot of educational work,” says Goldfarb of Morris Brown & Sons, who specializes in tomatoes. “I have been going down to a particular restaurant chain and talking to them about how to handle the tomatoes at the store level. I’m now on their produce council.”

Traveling has become a significant part of maintaining an edge for many at the market. Pitoscia of Fresh Advancements says his company is expanding its line into more processing of organics. “They call me Samsonite because I’m always traveling,” he says, which helps him increase his importing business. “I’ve recently gone to Vancouver, the Dominican Republic, Washington, Germany and France and I’m going to go to Chile, Ottawa and Prince Edward Island. The world is so small; you have to venture out. This is how I get the best deals.”

As the market changes, so do the companies that work there, and if they are thriving in one area of the business, it only makes sense to add another. Vic Carnevale of Veg-Pak believes being well rounded is the obvious way to go, a fact that is hard to miss with his varied business. “We are wholesalers, growers, processors, we do our own transportation — the only thing left for us to do is to open a retail store.”

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Pusateri's Fine Foods

An elite boutique offers shoppers the best of the best.

BY DAMIAN ROGERS

Pusateri's is Toronto's ultimate uptown gourmet retailer. This is the city's number one destination for unique luxury products, such as Chateau D'Estoublon Huile D'Olive, a small-production olive oil shipped from France in classic Chanel perfume bottles, which the store pairs with an equally elegant Piazza Grande Di Modena balsamic vinegar — available in four-, seven-, nine- and 15-year vintages — and sells as a set. But as remarkable as the specialty grocery items are, the real showstopper at Pusateri's is the produce — from exotic imports like dragon fruit to locally grown Ontario apples — every piece in the store is flawless, exquisitely displayed and ready for its close-up. (So ready, in fact, that the staff regularly has to discourage photographers from snapping shots for their portfolios.)

"We're produce people," says Gus Marsala, store manager at the 57 Yorkville Avenue location, where he estimates fresh fruit and vegetables make up about 35 percent of their inventory. The 25-year-old company also excels in food service and merchandizing, maintaining a busy café, bakery and catering service. "We use A-1 grade across the board," he says, "even in the kitchen. And we do all fresh-cuts on the premises." Pusateri's in-store food service started out as a simple panini bar and soon grew to include over 200 items, most involving produce in some way, whether in a smoothie, a salad or a sandwich.

Wholesalers at the Ontario Food Terminal describe Pusateri's as "nobody's customer," noting that they walk the market daily and buy "the best of the best" from everyone. Because the modestly sized Yorkville shop — sister to the much larger location further north at 1539 Avenue Road — has limited floor space, Marsala says there are always items "behind the scenes" that aren't out on the shelf, like kale for instance. "But when customers ask us for it, we're happy to go in the back and grab it for them," he says.

Pusateri's serves those who live in its tony neighborhood of Yorkville, as well as folks all over the city who are searching for something special. The staff interacts a good deal with the regulars, since items are often moved around the store to accommodate new and seasonally available items, like apple cider and roasted Italian chestnuts. Marsala stresses Pusateri's commitment to offering a broad selection. "We carry 16 varieties of apples," he says by way of example. "I want a customer to know that he can get what he's looking for here. Where else are you going to find cherries in mid-November?" And indeed, when *PRODUCE BUSINESS* visited them in late fall, they had unusually early cherries on the floor — glorious looking cherries at that.

This was the original concept with which Cosmo Pusateri founded this family business, now run by his widow and their children. Marsala describes Cosmo as a visionary. "He imagined a place just like this in Toronto," he says. "A lot of people have mimicked his model. This was



Gus Marsala and John Figliomeni at Pusateri's.

the first place to carry caviar, the first place to carry truffle items — it was unheard of for a store to bring these things in; only restaurants had that capability at the time. He believed we could do it over here." **pb**

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Opportunity And Challenge For All In India

An Interview with Mayda Sotomayor, member of PMA's International Council and CEO of Seald Sweet International, Vero Beach, FL, and Danie Kieviet, chairman of PMA's International Council, and head of Freshworld Pty Ltd., Stellenbosch, South Africa.

BY JODEAN ROBBINS

In March 2008, members of PMA's International Council toured Mumbai, India, to see various sectors of the city's produce and food distribution system and gain a broader understanding of the Indian produce industry. *PRODUCE BUSINESS* talked with two council members about opportunities and challenges in India's produce future.



Danie Kieviet



Mayda Sotomayor

PB: What is India's current status as a producer and exporter of fruits and vegetables for the fresh market?

Sotomayor: India is second in the world to China in total production of fresh fruit and vegetables. According to published statistics, India is the world's largest producer of mangos and guava, and ranks second in lemon production and fifth in papaya and pineapple. It is fourth worldwide in orange production, behind Brazil, the United States and Mexico, and is tenth in apple production worldwide. It is the world's largest banana producer. As far as exports go, mangos are India's largest fruit export. Onions destined for other Asian countries account for 93 percent of India's vegetable exports. India is the globe's ninth-largest papaya exporter.

Kieviet: Historically, India's abundant fruit and vegetable production has been focused on meeting domestic demand, but now we're seeing an increasing export focus. Mango comprises the major fruit exported with an export volume of 53,500 tons in 2005. Grapes ranked second at 38,900 tons, and oranges third with 31,500 tons. Apples, bananas, other citrus and lemons ranked in the top ten. During the mission, we learned grapes from Chile are starting to lose European market share to Indian grapes.

PB: Is India currently exporting produce to the United States or Canada?

Sotomayor: The U.S. Department of Agriculture (USDA) opened the first U.S. window to Indian mango imports on March 12, 2007, with irradiation treatment and, despite the limitation of transportation costs, the first trade began to the U.S. of Indian mangos of the Alphonse variety.

Kieviet: According to USDA figures, India's fresh fruit exports

to the United States irregularly ranged between \$39,000 and \$131,000 between 2002 and 2006 before seeing a big jump exceeding \$1 million in 2007, probably because of mango sales.

PB: What items might U.S./Canadian retailers expect to see next from India?

Sotomayor: Besides mangos, which are currently in the market, pomegranate seeds are a unique item. While USDA does not allow the import of Indian pomegranates because of concerns over hitchhiking pests, they do permit import of Indian pomegranate seeds, which are being sold in the Hunts Point Market in addition to other locations.

Kieviet: Tree nuts are another popular export for India. USDA figures show between 2002 and 2006 tree nut imports in the United States from India were relatively consistent, with an annual value of around \$230,000. Vegetable imports from India fluctuated early in this decade but shot to a high of \$444,000 in 2006.

PB: What potential does India have as a source of produce to the U.S. or Canadian market in the future?

Sotomayor: In order to be a serious export player, India must work on developing volume and variety. Despite being one of the world's largest producers of fruit and vegetables, India does not yet have much export volume. This is due to the huge domestic demand, as well as supply constraints and huge post-harvest losses. However, once they get these issues resolved, and I'm sure they will, they'll become a major player very quickly.

Kieviet: Another challenge we were made very aware of is the fact that there is a huge number of Indian farmers, who, on average, all operate small pieces of land. Close to 22 million Indian farmers working upon 25 million hectares, averages less than a hectare (2.47 acres) per farm. Furthermore, 30 percent of the farmers own 70 percent of India's agricultural land, which leaves 18 million farmers (70 percent) working just eight million hectares, or less than half a hectare each. Given such extensive small-scale pro-

duction, it is more complicated to do exports.

PB: So how has India been able to successfully export some items already?

Sotomayor: Multi-billion dollar Indian companies, such as Mahindra & Mahindra Ltd., are leaders in developing the grape and pomegranate exports. These firms are vertically integrated companies working with growers and exporters to develop an export business.

Kieviet: Most of the operations leading the way for Indian exports are large-scale mango and grape operations. Grape exports to United Kingdom supermarkets are the result of big investments with an eye on modern technology, including food safety operations. Sophisticated operations will do well in specific windows of opportunities that could exist.

PB: Is India a potential market for produce from the United States or other countries?

Sotomayor: India has a population of one billion, so even if only 15 percent of the population can afford to buy imported fruit, that's still 150 million people. India's middle class is forecast to grow from five percent of the population to more than 40 percent, which would create the world's fifth-largest consumer market.

Kieviet: Critical to supporting imports is a development well underway in India, including a large scale investment in a modern Western-style supermarket industry. There are a lot of square feet being established in India in the next few years.

PB: Do you know of anyone exporting to India already?

Sotomayor: One of the other PMA International Council members with us in India is Oneonta Starr Ranch Growers of Wenatchee, WA. They were one of the first U.S. apple exporters to ship to India and work with three Indian importers as well as shipping directly to the Indian retail chains HyperCity and Reliant.

Kieviet: Statistics from India's Department of Commerce show Indian imports of apples shot up from 32,000 metric tons in 2005-06 to 49,000 in 2006-07, a 51 percent increase. In the same time span, pear and quince imports rose from 4,400 tons to 5,500 tons. Orange import tonnage, including dried product, went from 1,500 tons to 2,000. Other imported commodities were grapes, kiwifruit, plums, tamarind, apricots, peaches, figs and strawberries.

PB: Does India have traditional Western-style supermarkets?

Sotomayor: The development of Western-style supermarkets is growing in India, although these are contrary to the longstanding culture of street-corner retailers, or single-commodity door-to-door salesmen. Currently, these traditional retail styles sell 97 percent of the country's fresh fruit and vegetables. However, the existing western-style supermarkets we toured seem to be expanding.

Kieviet: I was impressed by the amount of money going to develop supermarkets. As disposable income has increased, the affect on supermarket investment has been huge. There will be

significant opportunities to fill produce shelves with high-quality imported produce.

PB: What are the biggest challenges for India, in both importing and exporting?

Sotomayor: India's produce development is hindered by infrastructure and other deficits. Because of a lack of infrastructure, including sufficient electricity and refrigeration, Indians consume a significant amount of produce grown close enough to their homes that it can be eaten before it spoils. This is an inhibitor to development of imports or exports. In Mumbai's wholesale produce market of more than 200 hectares, product is delivered in little open-air trucks stacked to the top and unloaded by hand. There are no forklifts, no refrigeration and pushcarts are the norm.

Kieviet: India's developing produce business is going to need a more sophisticated internal distribution system in order to provide the world with larger volumes of produce in good condition and also to be able to properly transport high-value imported produce.

Exports need a large investment in cold storage, refrigeration and port facilities.

PB: What is the most important thing for exporters to understand about the Indian market?

Sotomayor: For successful retail segment advancement, an understanding of India's different consumer groups is essential. Demographically, India is not a homogeneous population, but rather consists of many groups separated by language, class and income. Indians are gaining purchasing

power, and a larger portion of the population is increasingly sophisticated. The general expectation of low food price and quality will give way to higher expectations as the younger, professional population is brand- and quality-conscious and willing to pay for these. This emerging buying population wants year-round produce availability and commodities that have not been Indian staples.

Kieviet: While the supermarket development is growing, an emerging organized supermarket trade must overcome traditional buying practices. Medium- and small-sized towns resist supermarket buying and older shoppers like to touch, feel and haggle for shopping satisfaction. Developing exports to India is a long-term endeavor and will require patience in market development long before the first shipment.

PB: What were you most surprised to learn during the trip?

Sotomayor: I was most surprised how open and interested the Indians were to find synergies with the United States for both export and import. They are extremely interested in partnering and joint-venture opportunities.

Kieviet: I was surprised by how the Indian produce industry is aware of their huge potential, while at the same time they realize their need to invest in terms of production, distribution and partnerships. They are also aware that the Produce Marketing Association (PMA), Newark, DE, as playing an important role in assisting them in achieving their objectives to become a world-class exporter. They recognize PMA is playing an important role in the produce world.

pb



Photo courtesy of PMA



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Amp Up Value-Added Potato Sales

Today's value-added potato products have plenty to offer retailers and consumers alike.

BY JACQUELINE ROSS LIEBERMAN

Quick, easy and of increasingly good quality, value-added potatoes can give a produce department several advantages.

"Two-thirds of meals prepared at home are quick-and-easy meals," explains Tim O'Connor, president and CEO of Denver, CO-based United States Potato Board (USPB). "We know value-added potatoes fit into that trend very well." Value-added potato products offer higher margins than bulk potatoes and a chance for retailers to differentiate themselves from the competition.

The real beauty in carrying a variety of value-added potato products is that consumers see each as a completely different dish, even though the main ingredient remains the same, according to Seth Pemsler, vice president retail/international of Idaho Potato Commission (IPC), located in Boise, ID. "We're finding that there isn't cannibalization." The reason some people are happy to eat potatoes several times a week is because "You don't have to eat the same preparation every day. You don't even have to eat the same type of potato," adds Pemsler.

O'Connor agrees, pointing out that "Versatility is a big part of what people love about potatoes. Our

frequency isn't quite every day of the week, but there is a very high penetration."

The reason why value-added spuds have a history of slow-to-build sales and down-right duds may be due to poor product development on the part of suppliers. This has surely changed in recent years, as smart potato growers and shippers have worked hard to research and

develop successful new ways to add value to the popular commodity vegetable.

"Retailers are looking to suppliers to maximize their value-added products," reports David Wheeler, new product and marketing manager at Potandon Produce LLC, based in Idaho Falls, ID. "In other words, they would like us to maximize consumer convenience as well as offer exciting and unique products at acceptable prices. It can be a challenge to juggle all of these variables. Offering new products that just address one area, such as convenience, packaging/graphics or price, may not get you the repeat consumer purchases that are needed to keep your product on the shelves. Retailers are wary of spending the time and money to bring in new products that may not last. You have to put your best foot forward and cover as many of these variables as possible."

While suppliers are putting their best foot forward, they face many challenges such as avoiding under-merchandised and under-promoted products. It is up to retailers to work together with suppliers to increase consumer awareness and sales.

ADDING VALUE

Exactly what constitutes a value-added potato is up for debate. "Originally, potatoes sorted to pack by size in cartons were actually a form of value-added product that demanded a higher selling price than a field run of potatoes would," states Don Odiorne, vice president foodservice for the IPC. "Today, value-added tends to only include pre-baking or doing specialty cuts of a raw potato for fresh refrigerated or frozen. However, the old definition returns when shippers decide to pack heirloom varieties together as a medley and charge a premium for them. Value-added could also mean a different pack size than normal. For example, specialty potatoes are often packed in smaller units, such as a 10-pound carton for foodservice rather than a standard 50-pound carton."

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
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Will The Economy Hurt Or Help?

In an uncertain economy, consumers are spending more at retail and less at restaurants. Those in the industry confirm that, as a relatively inexpensive staple item in American kitchens, overall potato sales are not slowing. "Some retailers now report that potatoes — their largest volume/tonnage category with historical sales accounting for 7 to 8 percent of total department sales — have increased now to 9 to 10 percent of total department sales," notes Brad Brownsey, representative for the Prince Edward Island Potato Board (PEIPB), PEI, Canada.

But when it comes to value-added, the jury is still out. "We feel consumers are eating out less and becoming more conscious buyers at retail," states David Wheeler, new product and marketing manager, Potandon Produce LLC, Idaho Falls, ID. "Our sales are up, but it will be interesting to see if the trend continues to follow the economy."

Seth Pemsler, vice president retail/international of the Eagle, ID-based Idaho Potato Commission, points out, "Anything that costs more is going to be affected. It's hard to say for sure because there are so many factors. Consumers are probably cutting back on everything." Some families that once had two incomes now have one spouse out of work, leaving the family with less money to spend on value-added products and more time to clean, peel, chop and cook their meals from scratch, he adds.

For those cutting back on restaurant meals, value-added potatoes offer a less-expensive, easy-to-make alternative. Kevin Stanger, vice president sales and marketing for Wada Farms Marketing Group LLC in Idaho Falls, ID concludes, "You may have a consumer who stopped going out a lot but who will pay an extra 50¢ or a \$1 for a value-added potato." **pb**

(CPAC). "I believe it has to do with the busy lifestyles of consumers today. This type of product is very convenient for whomever is preparing the family meal. I have tried this product and it is very good quality. Convenience and quality are key for consumers."

Wrapped, ready-to-cook baking potatoes have also seen success over the years. "Perhaps the first value-added product offered was the foil-wrapped potato," adds Brownsey. "When introduced decades ago, this convenience product was premium-

priced by retailers."

Today, similar potatoes for microwave cooking are a top seller. "In the market right now, we offer individually wrapped microwave potatoes that have been thoroughly washed and allow the consumer to just pop them in the microwave as is, saving them time by not having to pre-wash them," explains Potandon's Wheeler. "The microwave-safe packaging also saves time over conventional cooking and offers a more even cook than what would be seen without the overwrap."

The price of potatoes such as these is only slightly higher than that of bulk baking potatoes. "When they're on special, they're getting close to bulk price," notes Kevin Stanger, senior vice president of sales and marketing for Wada Farms Marketing Group LLC in Idaho Falls, ID.

Wheeler says consumers appreciate these wrapped potatoes "because they are easy and quick," but plenty of new value-added potatoes are just as easy and quick — many cook in the microwave in less than 10 minutes. The trick is getting consumers to recognize and use them as much as they have the wrapped baking potatoes and prepared mashed potatoes.

"The microwave potato has been around for a while," notes IPC's Pemsler. "The new

technology is steam bags." Once the consumer microwaves these products in bags or trays, the possibilities are endless. "You can mash them, you can cut them into wedges for potato salad" or cook them in sauces. "You put it in the microwave, you press a button and your side dish is done," he adds.

Microwave-steamed technology has experienced success in other areas of the produce department. In 2007 and 2008, value-added steamable potatoes emerged as the fourth major player (behind green beans, vegetable medleys and broccoli) in the steamable vegetable category despite limited promotional efforts, according to USPB. Potatoes accounted for more than 10 percent of steamable vegetables sales. Considering the \$200 million in sales of steamables this past year, that is no small feat for the humble potato. Most of these spud sales were attributed to single-wrap, microwaveable Russet varieties, however, new multi-potato steamer bag varieties recorded "impressive sales," according to USPB's data.

O'Connor believes consumers appreciate the opportunity to cook fresh produce quickly and wholesomely. "It's a nutritious, very appealing new product category."

Wada Farms, which offers microwavable baking potatoes and tray-packed potatoes, added steamable bags to its line a year ago.

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Stanger says its 1.5-pound bags contain small red, yellow or Russet potatoes that have been triple-washed with the final rinse in Fit Fruit & Vegetable Wash. They cook in about eight minutes.

Following the success of the products already in the market, it's no surprise that more value-added packaging is on the horizon, notes Wheeler. "Packaging technology is improving rapidly, and some exciting new technologies that could be available to the fresh potato industry are emerging."

INCREASING SALES

Despite value-added vegetables' increas-

ing popularity, convincing retailers to buy and promote new value-added potato products can be difficult, according to IPC's Pemsler. "Maybe there was a perception that consumers didn't want it and they wouldn't pay for it, but in reality, they will."

Each store's demographics must be taken into consideration. Retailers should ask themselves if their customers are more convenience-oriented or bargain-minded before deciding what percentage of their produce department should be dedicated to value-added potatoes.

Convenience and quality are clearly important, but when it comes to sales, con-


sumers must also be familiar with the product. "Potatoes are such a commodity type of crop," says Stanger of Wada Farms. "The challenge we have is getting the retailer to explain properly then get consumers to see these for what they are and try them. Once they try them, we've had great success."

Wada Farms has done in-store demos and some stores are cross-merchandising the value-added potato products with items such as rotisserie chickens and bagged salads, marketing the bundle as dinner for under \$10. "Other retailers are starting to put in a value-added section in the produce department," notes Stanger. "It's just being tried."

FACT: Red potato sales are increasing.


FACT: The Red River Valley is the country's leading producer of red potatoes.

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Photo courtesy of US Potato Board

Pre-washed multi-potato bags have been a very popular value-added item.

It's definitely worth doing some tests. Areas of the country where that could be successful exist."

However a produce department is arranged, it is extremely important to display new value-added potato products in a way that lets them shine, reports USBP's O'Connor. "You want to create an area within the potato display that calls out to the consumer, 'Look, we've got something new and exciting!' Make these new products stand out. Give them an environment that helps them survive and thrive."

Pemsler stresses the educational process involved with properly marketing and merchandising value-added potatoes. "Retailers need to participate in that process in order to make sales. The new products are showing up on the shelves with just a sign." That is not enough. When customers realize the convenience of these products, they are much more likely to try them.

Given the right circumstances, sales of value-added potatoes have the potential to soar. Although they may never reach the level of bagged salads, they will still prosper. "Value-added potatoes are going to be a growing opportunity," says Stanger.

"Potatoes are the Number 1 vegetable," O'Connor points out, "and that has tremendous potential."

pb

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Reader Service #82

Move More Mexican Mangos

Consumer education, growing familiarity and migrating demographics are helping to expand this lucrative fruit.

BY DUANE CRAIG

The future of mangos lies in great market penetration, and Mexico is leading efforts to do just that.

In 2007, Mexico supplied 62.5 percent of all mango imports to the United States, and it's expected to have supplied approximately 63 percent in 2008 (once those figures are released), reports Wendy McManus, director of marketing for the Orlando, FL-based National Mango Board (NMB).

McManus keeps track of an overwhelming amount of mango statistics from all around the world as the fruit makes its way into the U.S. market. NMB has created an index that shows the level of consumer interest in mangos within various markets across the country. The interest is measured in sales and expressed as a number. Any number greater than 120 is well above average and numbers below 80 are well below average.

"You have the Pacific region, which is California, Oregon and Washington at 173," McManus says. "That region has a very strong Hispanic population, and you also have progressive foodie climates there. When you get into places such as Texas,

Louisiana and Oklahoma, you see them at 115. The Midwest is lagging, but when you get up into the Mid-Atlantic and New England, there are actually some very strong markets."

McManus suspects a few things are going on. One factor is the increase in the Hispanic population, along with their migration throughout the country as they expand beyond traditional Hispanic strongholds. Another factor has to do with familiarity. More people understand what a mango is and what they can do with it. She also credits the work NMB does in promoting the fruit as helping to increase familiarity both with consumers and retailers. "Ten years ago, a traditional main line retailer might not have had a mango display at all," McManus explains. "Today, pretty much every retailer across the country has at least some type of mango display."

THE MANGO EVOLUTION

The varieties of mangos across the globe give the commodity the possibility of being a category unto itself. "More varieties of mangos than apples exist," explains Larry Nienkerk, partner and general manager of Splendid Products, based in Burlingame, CA. "Almost by happenstance, the four major varieties — traditionally considered as red mangos — originally came from nurseries in South Florida in the early 20th century." Those varieties inherited the names of the families in whose yards the original plants grew: Kent, Keitt and Haden.

In 1948, T.H. Atkins first grafted and sold Tommy Atkins, today's most commercialized mango in the Western Hemisphere. By most accounts, the Tommy Atkins didn't achieve commercial success because of its flavor, but rather because of its disease resistance and ability to stand up to the rigors of shipping.

These four varieties — Kent, Keitt, Haden and Tommy Atkins — eventually became the basis for the Mexican mango industry. Today, they are joined by the Ataulfo, a smaller but flavorful mango that is ripe when it's yellow. Therein lies one of the mango's challenges when it comes to becoming its own category. People don't understand the various colors, as they do with apples.

"As long as consumers and retailers continue to

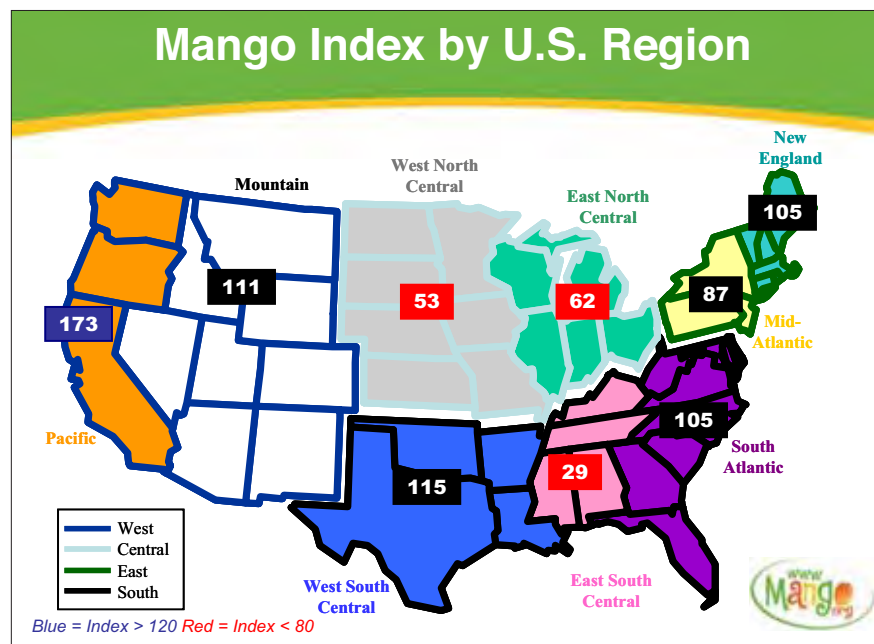


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Mango Board 2009 Initiatives

The National Mango Board (NMB) in Orlando, FL, is planning a busy year of programs to continue growing consumer interest in the fruit. Wendy McManus, director of marketing, says in 2009 the organization is putting a heavy emphasis on retail training. "We've got a number of programs in the works to help facilitate that, but we really want to get the education from corporate to distribution centers and finally right down to the store level," explains McManus. "Educating retailers is the key to educating customers. That will help to build the category."

NMB is also continuing its emphasis on demos, though they tend to be quite costly. While they are a good way to attract attention, they are quite expensive. Most people know what grapes or watermelon taste like, but it's a different story with mangos, she explains. While people have tasted mango flavors in recipes at restaurants and other venues, many have never tasted the flavor of a fresh mango. "Consumers get so excited and we really move a lot of product that way. It's a good investment."

NMB is working on several consumer marketing efforts. "We have a year-round program to get mango recipes out in newspapers and magazines, and we get a lot of exposure that way. We have several

television programs where we work with Ingrid Hoffmann, NMB's spokeswoman and host of the Food Network's 'Simply Delicioso.'"

NMB plans to sponsor programs geared toward kids. "We recently launched our Jango Geography game, an interactive online game that teaches kids about geography, culture and mangos," notes McManus. "We also have a high-profile program called the Rising Mango Star Video contest, where kids ages eight to 14 submit a video of themselves creating a mango-based recipe. The finalists are then brought together to be judged by a celebrity panel."

Creating year-round programs is an important part of building mango sales. "Retailers need to be doing the right things every day," McManus adds. "Growth in mangos is being driven by year-round availability and the year-round attention to mangos that we get from the retailers. We don't just see big displays one time of the year that disappear during the winter. The ongoing exposure year-round is what continues to help support that season when we are down in Mexico. It is becoming a very small and flat world. These countries are very dependent on each other. The most important message I could get to retailers is do it right every day and all of these seasons will grow."

pb

demand red blush, growers will be more likely to respond by growing mangos that exhibit a nice red blush," says McManus. "The growers have an interest in producing other varieties, but they sometimes have difficulty moving that product because the edu-

cation among the consumers — and even among the retailers — is still in its infancy.

Education might best start with employees who can translate the learning to the customers. In that way, retailers might begin experimenting with different varieties and

see which variety their customers respond to best.

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stresses McManus. "Retailers have to find the appropriate level of promotion with its product mix. Too much promotion can be detrimental by causing consumers to become overly price-sensitive."

Chris Ciruli, COO at Ciruli Brothers LLC, based in Nogales, AZ, agrees, adding, "Especially on the West Coast and in some of the bigger cities, such as Chicago, Atlanta and New York, where mango sales are picking up due to cultural diversity, we are seeing two-level deals where you will walk into a store and it will be carrying a Tommy Atkins or Haden along with a yellow mango." That is what those in the mango business are working toward — getting multiple varieties into stores.

NMB wants to partner with retailers and supply them with tools to help educate their consumers. The organization can provide POS elements and information on how to cut a mango and the importance of not judging a mango by its color.

"The challenge is to find ways that motivate consumers to pick up more than just

one or two mangos at a time," notes Ciruli. "If we get the fruit to them with the right maturity and the right flavor, they will come back and buy more. That is why our lead-in promotions in March and April are so important. It's these promotions that set up the summertime sales opportunity with the heavy volumes in June and July."

In terms of planning ahead, Wade Shiba, managing member at Hidalgo, TX-based GM Produce Sales LLC, suggests retailers communicate their promotion schedule with growers so it aligns with the crop size and production schedule. "Keep an eye on the crop and when production might be at its peak," he says.

PRICING STRATEGIES

Pricing Mexican mangos is a perennial problem because of money exchange rates, inflation and the costs of agricultural inputs, according to Splendid's Nienkerk. As a result, it gets more difficult every year to price commodities in multiples. Using price to generate sales is a short-term strategy. "In

a way, you have to get away from price being the only gain for merchandising or you get into a losing situation eventually," he says.

Nienkerk suggests larger displays, more sampling and cross-promoting mangos with complementary items. One way of helping consumers select the fruit is to use signs that tell when the fruit in a particular display will be ready to eat. That way, customers can get used to the idea of staging their purchases so they don't have too much fruit ripened at one time. Splendid is now providing merchandising kits for different times of the year.

Ciruli recalls promotions pricing in multiples as being successful this past year along with some case pricing. "We did quite a few promotions that were based on pricing in multiples where they were five for \$3 or two for \$1," he says. "We had some retailers do case pricing during our peak season in June and that actually worked quite well. We also have been gaining success in the box stores with a six-pack of mangos." **pb**



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installs worldwide. The feature set is comparable to programs such as MS Great Plains, MAS 200, Navision, ACCPAC Advantage and other business accounting systems."

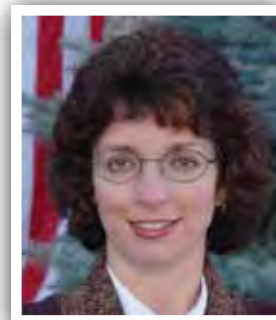
Visual Produce can be integrated with Sage CRM, a powerful customer relations management system. "Sage CRM is an easy-to-use, fast-to-deploy, feature-rich CRM solution providing enterprise-wide access to vital customer information — anytime, anywhere. With Sage Accpac CRM, you can better manage your business by integrating field sales, internal sales, customer care and marketing information," Carpenter further explains.

The software allows customized sales and operations tracking boards to be designed to address specific business challenges, such as tracking order status, load status, item status and alerts on problems. "Through the use of ProAlert, Visual Produce can be set up to automatically notify managers or users when pre-defined alert criteria are met," states Reminger. "As an example, an e-mail alert can be sent to a manager whenever an order margin amount falls below a specific value. Or a report can automatically be generated and routed to an individual at the same time every day. This tool is limited only by your imagination."

Visual Produce provides easy access to data from many different tools including Report Writer, DataHabitat, Excel, F9 (an Excel-based financial report tool), Visual Internet, ZetaFax, Roadnet and many others. "Our software's unique features and benefits insure our customers are never told the program doesn't work the way they need it to, they have to change their business practices or they have to wait until the next version of the software becomes available before a problem is fixed," Carpenter adds.



John



Tina

Visual Produce's Internet connectivity allows order entry via the Web, and it gives customers access to reporting and data publishing capabilities. "Some of our current customers have in excess of 40 percent of their orders being entered through Visual Internet," according to Reminger.

SCS advises thinking on a long-term, large scale when looking at software needs. "When choosing software think long term," suggests Reminger. "Remember your business needs will change and your software needs will change as well. Also, ask to speak with customers and ask them about service and product. When you buy software, you enter into a close knit relationship with your software provider."

Reminger cautions companies to realize the IT industry is much bigger than just their ERP software provider. "How does the program you are evaluating fit into the big picture?" she asks. "Is it proprietary or open? What operating systems does it run on? Are the programs and data accessible to other entities in the market?"

Produce companies currently using Visual Produce for wholesale distribution and processing include Coastal Sunbelt Produce, Pacific Coast Fruit, Baldor Specialty Foods and Loffredo Fresh Produce. Companies using the software for distribution, packing and grower settlements include Country Fresh Mushrooms, Sweet Clover Produce, Global Agri and MCL Distributing.

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Celery Still Reliable Seller In Produce Aisle

With consistent sales as an ingredient, bigger gains anticipated for fresh-cut variations.

BY LISA LIEBERMAN

In a world full of changing produce, where new fruits and vegetables are always being introduced into the produce aisle, there are some things that never go out of style. Take celery for instance. Celery, which was used by ancient Greeks and Romans for flavoring, has been a mainstay in U.S. supermarket produce departments ever since supermarkets came into existence.

The U.S. produces about two billion pounds of celery a year while U.S. consumers eat about nine to 10 pounds of celery per person annually. And while celery may not be the sexiest vegetable in the produce department, produce shippers and buyers say that celery has great shelf life and still makes retailers healthy profits.

"Celery is still top dog and it's going to remain that way," says Cheryl Hughes, owner of the Whole Wheatery grocery store in Lancaster, CA. "It's not like celery is a stand-alone vegetable like a certain variety of squash that goes in and out of style."

Hughes, who also runs a juice bar and a restaurant inside of her retail store, says she uses celery in all sections of the store. "Celery has a million different uses. We use it in our juice bar and we use it for soup stocks and as ingredients in lots of our other recipes at the restaurant."

California produces about 85 percent of the celery in the United States, while Michigan and Florida make up most of the rest of the remaining 15 percent, says Duane Frens, general manager of the Michigan Celery Promotion Cooperative headquartered in Hudsonville, MI.

ACREAGE AND DEMAND STABLE

"Acreage wise, there are probably fewer



U.S. consumers eat about nine to 10 pounds of celery per person annually.

acres of celery — but not a lot fewer. What's changed is that we have higher yields for celery especially in California, which has fewer insect problems than other celery producing regions," says Frens.

Michael Boggiatto, president and general manager of Boggiatto Produce Inc., in Salinas, CA, says that he sells 120,000 to 130,000 cartons of celery a year. "Our production has increased a bit, and in 2008 we ended up having a pretty good market year," Boggiatto says. He points out that even though the volume of celery plantings may fluctuate from year to year, the demand for celery remains more or less consistent.

MANY DIFFERENT USES

"Celery is like a comfortable pair of tennis shoes or a sweatshirt. It never goes out of style and there's never any substitute for it," Boggiatto says.

The big challenge with celery, though, is the amount of room it takes up in the display case. This is where celery hearts and fresh-cut celery products come into play. Most celery stalks grow up to 18 inches long. Celery hearts, however, which are usually only about 10 inches from the butt to the tip of the stalks, can be much more convenient, says John Baille, president of Baille Family Farms in Salinas, CA. "Consumers like the convenience factor of the celery hearts, and nowadays convenience is half the ball game," Baille says. Additionally, he notes, consumers like the fact that celery hearts, which have narrower branches than regular celery, are 100 percent useable.

While celery stalks and celery hearts have been popular for years, when baby carrots first began hitting the marketplace about 15 years ago, the demand for celery took a hit. "Baby carrots replaced a lot of cel-



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ery as out-of-hand eating vegetables because carrots were so convenient and didn't have the strings that celery has," Frens says. "But that was when celery didn't have a top-

nia is grown in mineral soil — which is what gives California celery a sweeter flavor — celery grown in Florida and Michigan in "muck" soils, which are soils composed of

While the majority of celery from California is grown in mineral soil — which is what gives California celery a sweeter flavor — celery grown in Florida and Michigan in "muck" soils, which are soils composed of reclaimed swamps, have a stronger, more pungent flavor.

notch flavor. Now we have many sweeter varieties available."

While the majority of celery from Califor-

reclaimed swamps, have a stronger, more pungent flavor, explains Frens. "The sweeter celery from California is a little bit more

desirable for eating out-of-hand, but chefs tend to like the other celery for cooking because it has a stronger flavor," Frens says.

According to Frens, two of celery's biggest selling points — aside from the fact that it is so versatile as a cooking ingredient — is that it is also a good substitute for salt in recipes and that it takes more calories to eat and digest a piece of celery than there are calories in the actual vegetable. These qualities make celery a popular item for consumers who want to eat healthy.

HOLIDAY SALES

"There is no doubt that celery is one of the top sellers in the produce department," says Brenda Haught, category manager for Homegrown Organic Farms in Porterville, CA. "We sell a lot more celery around

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Thanksgiving and Christmas time. We usually sell twice as much celery during these periods as normal."

According to Rick Alcocer, senior vice president of fresh sales at Duda Farm Fresh Foods Inc., in Salinas, CA, sales consistently tend to peak around the winter holidays because that's when consumers buy celery as a stuffing ingredient. The vegetable adds the crucial crunch-factor to the ever-popular holiday side dish.

Whole Wheateary's Hughes notices that in addition to increased sales in November and December, celery sales continue to rise through the new year and into January. "That's because everyone makes New Year's resolutions to slim down and eat healthier," she says. "So, you see more people eating celery and using it as a juicing ingredient."

Over the past five years, Alcocer says he's also noticed increases in celery sales in January during the height of football season. One reason for the increase in celery sales may be because of the increase of televised football games. "It used to be that there would only be four football games on TV," says Alcocer. "Now, with different cable stations, you have 28 to 32 ball games going on at once and a lot of people like to snack on celery during these games because they're just a real easy thing to grab and snack on with dip." What's more, it's a healthful alternative to chips or popcorn, especially since watching the game usually encourages mindless eating.

FRESH-CUT OPPORTUNITIES

Alcocer notes that while baby carrots

have been a popular and easy snacking vegetable in front of the TV, celery may ultimately have a lot more possibilities. "Carrots are a very good vegetable, but celery has more dipping options and kids love to eat peanut butter with celery," he says. "The good thing about celery, too, is that it's a very hardy vegetable. It can stay unrefrigerated and you don't have to worry about it going bad."

Over the past several years, the carrot industry has been able to create a plethora of fresh-cut products, including carrot sticks, carrot shreds, carrot chips and microwaveable matchstick-sized carrots. The big challenge with creating fresh-cut products in the celery category that can compete with carrots is that the celery ends tend to dry out soon after they get cut. "There's no real way

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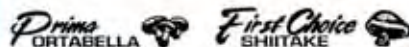
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to cut up the celery and keep the ends from drying out in the bags," Frens says. "There are, however, some companies that are beginning to come up with new technology that will change this."

Duda in Salinas has, for instance, come up with pre-cut celery sticks and pre-cut organic celery sticks, which seem to be selling well. "We have three, new fresh-cut celery items that we'll most likely see by the end of this year, which I can't talk about yet. But, let's just say that there's a lot more demand for pick-up-and-grab types of snacks that are healthy," Alcocer says.

Additionally, Alcocer points out that schools are upping their requirements for fruits and vegetable on lunch menus, which means that there's more open doors for different types of vegetables, especially those

that don't require very much preparation.

GETTING CREATIVE AT RETAIL

In terms of grab-and-go snacks, Hughes from Whole Wheateary says grocers can find ways to get even more creative with celery sticks. "In our fresh-cut cases in the deli, sometimes we'll do clear plastic boxes with two ounces of baby carrots and dressing along with two or three celery sticks stuffed with almond butter," she says. "This is a really nice thing because people get a healthy snack with vegetables that also has some protein in it."

Deanne Cagnacci, product manager from Growers Express LLC in Salinas, CA, says there are many other ways to merchandise celery. She suggests that retailers do things

like put jars of peanut butter or dip right next to the celery, giving consumers easy ideas of how to utilize celery. One thing the company is thinking about doing is cross-merchandising celery with the frozen vegetables it sells under the Green Giant label. "We could put a coupon on a sleeve of celery that says purchase this celery and get so much off a box of frozen vegetables," Cagnacci says.

Another thing retailers can do around Thanksgiving time to boost celery sales, as well as overall sales in the produce section and throughout the store, is to put all the ingredients for stuffing right next to the sleeves of celery. Alternatively, retailers can tag celery with coupons for other produce items, such as curly parsley, which goes well with celery, Cagnacci says. **pb**

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Five Tips For Merchandising Packaged Nuts

Opportunities abound for retailers to boost year-round nut sales.

BY JULIE COOK RAMIREZ

Long viewed primarily as a snack food, nuts have significantly improved their image over the past few years, thanks to positive coverage in popular health magazines. Packaged nuts, in particular, have grown in popularity, due to concerns over food safety, as well as portion control.

For the most part, nut manufacturers generally agree that retailers are doing a sufficient job of capitalizing on nuts' new reputation as a healthy alternative to chips and other salty snacks. "A growing number of retailers have recognized that nuts are a very strong revenue and profit generator for the produce department and have placed a great deal more focus on their merchandising," says Marc Seguin, director of marketing for Paramount Farms, Los Angeles, CA.

Mass merchandisers and club stores, in particular, are finding innovative ways to merchandise packaged nuts, placing large attractive displays in strategic locations around the store, according to Ron Van Amburgh, vice president of sales for Harvest Manor Farms, LLC, a Cedar Rapids, IA-based grower/shipper that specializes in nuts.

When it comes to grocers, however, "some get it and some don't," says Andrew Stillman, president of Minneapolis-based American Importing Co., Inc.

Jim Pehl, sales manager for Keenan Farms, in Avenal, CA, recognizes that most grocers do a good job pushing nuts during the critical fourth quarter when consumers tend to seek them out for holiday baking and snacking. But when it comes to the rest of the year, Pehl notices merchandising efforts significantly decrease and nuts often end up hidden away in odd places, like under the bananas.

Take a look at these five suggestions to



Creating a set destination entices sales of packaged nuts.

maximize the merchandising of packaged nuts year-round.

1. MAKE NUTS A DESTINATION

Time-pressed consumers don't like wandering the store aimlessly, looking for items that simply can't seem to be found. "We are creatures of habit," says Stillman. "When grocery stores move things around too much, people lose track of them. That's why it's really critical to build a permanent section of healthy packaged goods such as dried fruits and nuts."

What's more, permanent nut displays should be positioned in the produce department, thus establishing a destination for health-conscious consumers who regularly purchase nuts. Mia Cohen, chief operating officer, Setton International Foods, Inc., Commack, NY, points out that, "It drives home the point that these may be nuts, but

they are fresh and they are not different than any other produce items."

Seeking to cultivate a fresh, professional image within the produce department, Winn-Dixie Stores, Inc., a Jacksonville, FL-based chain with 521 stores, has moved away from placing shippers and multiple nut displays throughout the area, instead opting for a permanent, 4-by-4 wooden pod fixture built specifically for nuts. Senior category manager, Mike Carter, credits the display for a "nice sales increase. If a customer knows where the packaged nuts are going to be, it becomes a destination. If it's well-signed and maintained, it definitely increases sales."

In Scarborough, ME, Mark Jewell, fresh produce category manager for Hannaford Bros. Co., admits that his stores "don't do a good job" merchandising nuts in the produce department because they lack one set destination. Establishing a specific nut area will keep customers coming back for more.

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2. TAKE ADVANTAGE OF SECONDARY DISPLAYS

While there are those consumers who go to the store with nuts in mind — typically for healthy eating or baking — for most people, nuts are not a planned purchase. "This is a category that is not on the average shopper's list," says Jewell. "It's total impulse." As such, it's critically important to make sure consumers don't get out of the store without encountering a nut display.

"Getting nuts in front of the consumer in high-traffic areas with high-color graphic POP materials is key," according to Larry Rehmann, vice president of Diamond Foods, Inc., Stockton, CA. Often, those displays are tied to complementary products, such as beer or liquor, or a particular event like Super Bowl Sunday.

"A good display definitely sells product," confirms Jewell. "Anytime we feel nuts have the potential to sell, like during football events or during camping season, we'll tie nuts into on-shelf displays." Just in time for the Super Bowl, American Importing provides its retailers with a football-shaped plastic container full of trail mix. Secondary displays aren't limited to football, however. Baseball season, NASCAR races and March Madness games, as well as the Academy Awards or the Emmys, provide excellent opportunities for secondary nut displays.

3. DON'T FORGET THE AD

Despite the strong impulse component of nuts, ads still play a big role in boosting sales, particularly in today's tough economy. "You have a lot of consumers shopping ads right now," says Jessup. When nuts are placed on ad at Winn-Dixie, for example, sales have been known to increase as much as 138 percent versus a year ago, according to Carter. "What's more," Carter says, "an ad's positive effect on sales typically carries on for at least one additional week before starting to taper off."

Stillman suggests placing a different kind of nut on ad each week as a means of enticing consumers into the category.

Not every chain reports enthusiastic response to its circulars, however. Hannaford's Jewell says he doesn't see a "huge lift" from placing nuts in ads. What ads do accomplish, however, is they force store produce managers to check their inventory and may even inspire them to dedicate extra display space to nuts. In that way, ads are extremely important.

4. PROVIDE LOTS OF OPTIONS

Tough economic times, coupled with volatile nut pricing, have caused consumers

to think twice about buying a large bag of nuts. Seeking to keep the price point relatively steady, many retailers have begun selling smaller bags, according to Keenan Farms' Pehl.

To help keep consumers in the category, Hannaford recently started carrying smaller packages of nuts. The goal, according to Jewell, was to allow consumers to "trade down." So far, the move has been successful. "We are maintaining our sales because of the increase in sales of the smaller packs," says Jewell. Likewise, Winn-Dixie recently reduced the size of its nut packages from 24-ounce to 10- or 12-ounce bags. Sales have increased dramatically as a result, according to Carter.

Not surprisingly, nut manufacturers are in favor of retailers' efforts to bolster their nut offerings. "Retailers shouldn't be afraid to carry multiple SKUs of nuts, especially if they are packaged differently," says Setton International Foods' Cohen. Increasingly, that includes flavored such as smoked or chocolate- or yogurt-dipped coated varieties.

"The nut industry is finding ways to make a plain old nut more appealing to the consumer," says Stillman, whose company manufactures a variety of candy- and yogurt-coated nuts, in addition to many other types of dried fruit and nuts. "That's a very effective way of bringing in a large group of potential customers."

5. FLEX YOUR CREATIVE MUSCLE

Nuts are often associated with fun festive events, such as weddings, graduation parties and family get-togethers. It only makes sense, therefore, that retailers design their merchandising in kind. For some retailers, that's meant letting their creative juices flow and coming up with fun themed nut displays that tweak consumers' funny bones while getting them to take home a bag or two of nuts.

"We had one retailer who built a tiki hut and used pistachios as a focal point in that display," says Cohen. Other retailers have found success with promotional activities not typically employed within the nut category. Winn-Dixie, for example, has embarked on limited sampling initiatives of pillow-packed pistachios.

Van Amburgh believes these kinds of creative endeavors can make a tremendous difference in boosting nut sales on a year-round basis. "We know from experience that solid merchandising can make nuts a very exciting piece of profit opportunity," he says. "The opportunity is there for retailers with the right program to step out well beyond their competitors."

pb

TRANSITIONS

ASB-GREENWORLD INC., VALDOSTA, GA

Bob Bollinger has joined the company as executive vice president. He formerly was the president of Klerk's Plastic Products Manufacturing Inc., Chester, SC for eight years and CFO for four years. Bollinger will manage the ASB-Greenworld headquarters in Valdosta.



ANNOUNCEMENTS

HORTIFLORA ETHIOPIA 2009

Ethiopian Horticulture Producer & Exporters Association, Addis Ababa, Ethiopia and HPP Exhibitions, Netherlands, Holland, announce Hortiflora Ethiopia 2009 will be held March 25-27 in Addis Ababa. Jointly organized and managed by the two groups, the exhibition will include both floriculture and horticulture industry sectors.



Reader Service No. 316

NORTHERN CALIFORNIA EXPO

Fresh Produce & Floral Council, La Mirada, CA, announces the Northern California Produce & Floral Expo will be held April 1 at the Alameda County Fairgrounds, Pleasanton, CA. The event brings marketers, distributors, merchandisers and wholesalers in direct contact with front-line personnel representing floral and produce products to end-line users.



Reader Service No. 317

SCHULTZ SOIL LINE CONTINUES

ASB-Greenworld, Inc., Valdosta, GA, announces after years of manufacturing the Schultz soil line, it has secured a license to also sell the line directly to distributors and retailers. ASB-Greenworld will supply the Schultz line from its Georgia, Virginia, Ontario and New Brunswick locations to anywhere in the eastern United States.



Reader Service No. 318

VERIFLORA CERTIFICATION

Mercer Botanicals Inc., Zellwood, FL, has achieved VeriFlora certification, the sustainability benchmark for potted plants and cut flowers sold in the United States and Canada. Scientific Certification Systems, Emeryville, CA, a third party certification of sustainable achievements, developed and administers the VeriFlora certification program.



Reader Service No. 319

FIRST PLACE RECOGNITION

Stewart's Greenhouses, Mount Dora, FL, was awarded First Prize for its 10x20 booth at the Tropical Plant Industry Exhibition, January 15-17, in Fort Lauderdale. The award was presented by Orlando, FL-based Florida Nursery, Growers & Landscape Association, the sponsoring organization.



Reader Service No. 320

NEW PRODUCTS

LUCKY BAMBOO FOR SPRING

Eve's Garden Inc., Land O'Lakes, FL, presents five-inch tapered vases filled with Lucky Bamboo. Adorned with colorful, egg- or bunny-shaped pendants for Easter and Spring, the Lucky Bamboo vase arrangement measures approximately 14 inches tall. Shipped 12 to a case, orders are accepted for mixed colors.



Reader Service No. 321

HEAT-SEALED WITH HEARTS

JetRam Inc., Fenton, MO, introduces sealed bottom heart bouquet sleeves and red, heavy-duty, corrugated floral delivery boxes. Featuring a water resistant coating, the fold-and-go boxes require no stapling or taping.



Reader Service No. 322

PORTABLE BOUQUET SYSTEM

MEI Specialty Refrigeration & Fixtures, LaGrange Park, IL, introduces a portable, flexible display fixture that expands to hold from one to five buckets of flowers. The MEI 5-in-1 is a four-sided quadrant that supports five large buckets when fully opened. It needs a footprint of only 17"x17" closed and 48"x48" fully opened.



Reader Service No. 323

GREEN YOUR EASTER BASKETS

Flori-Design Inc., Eustis, FL, is promoting its trademarked Little Pot of Horrors Venus Fly Trap plants as fun, "green treats" to be included in Easter baskets. The carnivorous plant is available for direct store delivery via UPS. The three-inch potted plants ship 25 per case and are available with or without a display unit.



Reader Service No. 324

Floral Watch is a regular feature of *PRODUCE BUSINESS*. Please send information on new products, personnel changes, industry, corporate and personal milestones and available literature, along with a color photo, slide or transparency to: Managing Editor, *PRODUCE BUSINESS*, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail us at ProduceBusiness@phoenixmedianet.com

Solve Labor Solutions In The Floral Department

Consider all options, advantages and disadvantages when building the right team of professionals.

BY JON VANZILE

Floral departments are finding new ways, such as relying on vendors more heavily, to handle the age-old problem of labor issues. Tension between the labor necessary to run a successful department and the cost of that labor is growing. Nonetheless, retailers should keep in mind that floral is one of the most labor-intensive departments and one that requires specialized knowledge of the products and market.

Floral department staff is responsible for maintaining all products and assembling bouquets as consumers' tastes change with the seasons. They must plan and implement specials and promotions and handle custom orders. Floral departments also require someone who can push product and cultivate sales.

Personnel must accomplish these duties on a commonly tight budget, and when it's time to tighten the corporate belt, the floral payroll is one of the most obvious targets. "Payroll is the single largest controllable expense any retailer has," explains Stan Pohmer, CEO, Pohmer Consulting Group, Minnetonka, MN. "So when push comes to shove, that's the first thing you cut."

Floral is the obvious choice for cutting because, from a pure numbers perspective, the department often doesn't seem to be carrying its weight. For example, the department might contribute only 2 percent of sales, but it's a labor-intensive 2 percent that requires multiple dedicated employees. It's also a fragile 2 percent. Margins in floral are more sensitive than in many other departments. Poor labor practices, such as forgetting to water plants or allowing bouquets to rot in dirty buckets, can rapidly increase shrink, quickly destroying any margin the



Margins in the floral department are more sensitive than many others.

department was enjoying.

BALANCING LABOR AND SHRINK: A SOLUTION

The underlying causes of labor problems often can't be fixed at the store level. Budget decisions, including payroll, are usually made in the corporate office of larger retailers, so simply increasing staff isn't an option. The floral department is competing with too many other essential departments.

When additional staffing is necessary, floral executives are presented with two options: borrow employees from other departments or use part-time help. In both cases, the employees don't have the training needed to care for and sell flowers and foliage. "Part-time has its pluses and minuses," reports Pohmer. "It's a lower pay scale, and in a union shop, you don't have to pay union wages and the benefits are less. You

can also flex the employees to the times of the day when you generate the most traffic, such as 6:30 or 7:30 PM, when people are heading home from work and retail florists are closed." On the other hand, a part-time employee, he adds, "doesn't have the commitment of a full-time person, and the part-time employee often gets flexed between departments."

Recently, however, a third option has quietly emerged. More retailers are beginning to rely on their vendors to provide various degrees of management within the floral department. The range of services varies from handling display units and bouquet recipes to essentially running the entire floral department on a pay-by-scan basis.

By doing this, retailers are rebalancing the trade-off between margin and shrink, according to Scott Hill, vice president of sales and marketing of The USA Bouquet

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Co. in Miami, FL. They are trading lower margins for reduced shrink, expert management and increased sell-through. "We can take total responsibility for the operation," Hill adds. "We take the weakest link, which is labor. It's a different concept for people to get their arms around. But if floral departments struggle and they don't make their profits, we don't want to be expendable."

Historically, retailers don't like to give up too much control within their stores, but as Pohmer points out, a precedent exists. Many other departments have already outsourced some of the labor. The chips aisle, for example, is often stocked by a manufacturer's employee.

OUTSOURCING

Retailers are notoriously tight-lipped when it comes to discussing their outsourcing programs. Several large, national retailers already rely on vendors to manage floral operations, and others are considering it. But no one likes to reveal the facts.

"It's about control," explains Pohmer of Pohmer Consulting. "How much direct control do you want to maintain over the activities of your store versus how much are you willing to transfer to suppliers?"

The irony, of course, is that by simultaneously cutting back labor in floral and holding tightly to in-store control, retailers are asking for reduced margins, increased shrink and poorly implemented corporate promotions. This last point is difficult to quantify, but is nonetheless a compelling argument in favor of outsourcing. One persistent complaint within the industry is the disconnect between corporate promotions and store-level implementation. Some people joke that 70 percent compliance at the store level is considered good. Spread that out over a few hundred individual stores

and there is serious potential for problems. However, if a vendor is handling floral, "You can tell one supplier one time, and it's his problem," Pohmer stresses.

As these programs have matured, they have become more flexible. Today, vendors and retailers work closely together to develop signage and products that fit neatly within the store's branding efforts. One such vendor is Dayton, NJ-based Sunshine Bouquet Co., which offers an out-of-the-box solution for cut flowers and mixed bouquets. "We customize programs for the retailer that will create a year-round program of mixed bouquets at their price point," states Karen Leggett, director of marketing services. "They don't need to worry about color, prices or mixes. We also offer sell-sheets and even plan-o-grams."

Under this program, Sunshine Bouquet delivers wet-packs of pre-priced bouquets complete with UPC codes. "It's almost people-proof," Leggett adds. Overall, Sunshine Bouquet offers five price points.

USA Bouquets offers a variety of programs to lift the burden of labor. The most comprehensive is a pay-by-scan partnership where the company stocks and manages the floral department and pays the retailer a certain percentage of every item that is scanned. Because USA Bouquet owns the live product on the shelves, there is no shrink to worry about at the store level, and the control over the cash remains with store employees. "Our experience is we can increase sales over a corporate-run program," Hill notes.

For stores that are uncomfortable giving away that much control, USA Bouquet provides a program in which the retailer buys the plant and floral material while USA Bouquet has systems access at the distribution center and store level to monitor sales pat-

Proper Communication Is Key

The best solution for labor problems is different for every retailer, depending on its size, the number of stores and the structure of the floral counter. Obviously, a full-service floral center will require much more expertise than a simple case and counter. But whatever the situation, it's imperative for store-level floral managers to effectively communicate issues to corporate managers.

When it comes to outsourcing labor, this means answering the obvious question: Won't this destroy our margins? The way to answer this question is to articulate the difference between margins and profit, according to Stan Pohmer, CEO of Pohmer Consulting Group. It's true that paying a vendor to handle more of the labor will reduce margins. However, by reducing shrink, cutting payroll and increasing sell-through, it's very likely the store will realize greater profit from the floral center. "Talk in terms of payroll productivity, net contribution, impulse sales and what you bring to the total store shopping experience," adds Pohmer. "Think like a CEO does. If you're a senior person, it's all numbers."

Ultimately, it's the bottom line that counts. "From a labor standpoint, floral often gets very little attention," reports Scott Hill, vice president of sales and marketing of The USA Bouquet Co. "If we don't do things to make floral easier to execute, it's going to be a dying category. We don't want them to put a pallet of candy in there and make three times as much profit on it."

pb

More retailers are beginning to rely on their vendors to provide various degrees of management within the floral department. The range of services varies from handling display units and bouquet recipes to essentially running the entire floral department on a pay-by-scan basis.

terns, order product and handle inventory flow. "We make sure we're not missing sales," Hill explains. "We're measured on sell-through and other things like that."

The increasing number of vendor programs is due in part to the changing nature of employment in the floral departments. Career floral managers and buyers are becoming less common as retailers look for ways to cut costs and use the floral department as a training ground for future management talent.

pb



Culture Influences Strategic Approaches

During the late 1950s, the Great Atlantic and Pacific Tea Company (A&P) was the largest supermarket operator, and General Motors (GM) accounted for approximately 50 percent of automobile sales in the United States. Fast forward a half century later, and nearly everyone is aware of their strategic failures that allowed competitors to far surpass them. Both are victims of their respective cultures. In both instances, management became embroiled in the present rather than being able to develop strategies relating to trends of the future.

Much has been written about A&P's failure to recognize suburban development, the impact of national brands on its private label domain and the generally mediocre operating and merchandising programs creating third-choice images in consumers' minds.

In the middle of the 1950s, GM culture had a similar parallel. It was in the position of giving consumers what it thought they should purchase, and when Asian competition started gaining a foothold, the cry was for import quotas in order to protect a market subjected to exorbitant costs of production and marketing.

These importers were the snake in the grass Ross Perot alluded to after GM purchased his company, Electronic Data Systems — a global business and technology company headquartered in Plano, TX — in 1984. "The first EDS-er to see a snake, kills it," he said. "At GM the first thing you do is organize a committee. Then you bring in a consultant who knows a lot about snakes. The third thing you do is talk about snakes for a year."

John Smook, a Toyota manager, who worked at the joint Toyota-GM factory in California, said, "Toyota is built on trial and error, questioning everything. We don't know the future; let's try something we can do right now. At GM, they say I'm senior management. There's a right way and I'm supposed to know it. GM believed it would always be the leader. Toyota continuously adapts to change of consumer buying habits while GM management lived in a cocoon."

In effect, GM had the band tuned and the brass polished but it had already hit the iceberg, losing an average of \$24 million per day since 2005 or a total of over \$72 billion. By 2005, as the easy money era came to an end, sub-prime purchasers had grown to 18 percent of sales and no-money-down leases expanded losses from the write-down of residual value at termination.

For decades, "The Big Three" American auto companies — General Motors, Ford and Chrysler — similar to retailers who have failed to successfully compete, operated with a euphoric recall par-

allel to a teenager's puppy love, overtaking all good judgment and reason. The opposite could not be truer for successful growers, shippers and retailers.

Long before Wal-Mart superstores would lead to the demise of numerous supermarket retailers, the development of Heartland low-price supermarkets in New England in the late 1970s provides an outstanding example of culture determining strategy. At the inception of the operation in central Connecticut, existing large chains, such as A&P, Stop & Shop and First National — with the opinion that the approach would never entice consumers — did nothing, letting the new format rapidly grow market share.

As the Heartland success grew, the company set its sights on Maine, where Shaw's and Hannaford dominated, one and two respectively. The Hannaford management recognized this would be a cross-road event and the company developed the strategy of matching prices with superior quality, variety and service. In less than a year, the Heartland beachhead was in a state of withdrawal and would soon go out of business. In a few more years, Hannaford would not only overtake Shaw's, but it would also greatly exceed its share of the consumer market. The 1-year profit decline quickly returned to a growth rate exceeding that of the previous decade.

Later, Sam's Club's foray into the marketing area was met with similar resolve and grew at only a snail's pace, despite its deep pockets. Even as Wal-Mart supercenters have sprung up throughout New England, the reported sales and profit growth for Hannaford continues.

As part of the continued growth, the competitive culture of leading supermarket operators includes the strategy of continual evolution of the footprint and marketing programs. Every time they see or hear of a new layout and/or merchandising program, some executives communicate these initiatives as set in stone rather than emerging prototypes that will be continually evaluated and revised or discarded. Often, retailers will have one or more off-the-radar stores that are well-kept secrets. These are really test labs for a multitude of concepts aimed at a cross section of consumer demographic groups influencing significant segments of their business model. Safeway, for example, is quietly testing 10 ideal departments in separate locations.

For those who want to remain relevant to the evolving needs of consumers that are facing unusual economic activity, long-term strategies have been replaced with a culture of actively adjusting strategies.

pb

Long-term strategies have been replaced with a culture of actively adjusting strategies.



Good Help Is Hard To Find And Harder To Make

It's not the economy, stupid. It's not about the environment. Corporate social responsibility, threats of bioterrorism, international trade policy, credit availability, business regulation and sustainability are all way down the list. How do we keep talent in the pipeline at all levels of the operation? That's what's keeping me up at night.

All business faces this issue. Go to the conferences of any organization and you are sure to find a seminar on creating the next generation of managers. The popular press and trade journals are full of books and articles about recruitment, development and retention of personnel.

So what should we be focusing on: recruitment, development or retention?

Do we have a problem with recruiting? Let's face it — we are a long-hour, management-intensive business, based in some very unsexy locations. Hunts Point at two in the morning; Delano, CA, on a hot summer day or Nogales, AZ, during a monsoon are not exactly on the Travel Channel (although Nogales, Sonora was a film sight for *Girls Gone Wild*).

Sam Walton said, "If you don't want to work Saturdays, you shouldn't be in retail." Produce comes from hot dusty fields, goes through cold and damp warehouses, travels over the asphalt to be stocked in stores open 24/7. Who would sign up for this kind of life? Yet despite all of this, I haven't seen produce operations along the supply chain shut down for lack of people the way we've seen trucks parked for lack of drivers or crops rot in the field for lack of harvesters.

Do we have a problem with retention? When produce people talk about who is where, the assumption is the person is still in the trade. Despite consolidations, downsizings and outsourcings, I don't see a lot of produce drop outs. The Blue Book is the same size, and I am sure I will recognize plenty of faces in Las Vegas at Fresh Market-place. We seem to be an industry of lifers.

I don't know that our problem is either recruitment or retention. I think development of talent is our biggest challenge. Good help is hard to find. Good help is even harder to make.

Once upon a time, in a kinder, gentler produce industry, filled with family firms and parent-child mentoring, teaching by example was our primary training tool. Older produce managers taught 10-

year-old bag boys how to trim celery and select which peaches to cull from the display. Uncles taught nephews how to strip a rail car to insure proper airflow. Mothers showed daughters how to wrap pears on a pack line.

The senior and not-so-senior members of our industry started jobs that became careers. By the time they finished school or were discharged from the service, they already had eight or 10 years of industry experience. This is no longer the case. I entered the workforce at eight years old. My son entered at 16. The other change is that the small farms and stores have been replaced by larger units. Once one starts to work, chances are the job is a small cog in a big machine. Unless someone really takes the time to mentor, the entry-level or not-so-entry-level produce professional will have no clue how his task fits in to the bigger picture.

So what are we to do today? The learning process has not changed; one either learns by doing or learns by interacting with knowledgeable people, preferably both. As the tasks one performs are narrower in scope now, we must be conscious about exposing our workforce to a broader range of activities. It takes awareness and strong will, and I am convinced there are champions of our industry moving in this direction. But are we allowing the next generation of produce people, entry-level or those with five or 10 or 15 years experience, to really interact with knowledgeable people?

Go to our industry events, large and small, national or regional, and it's the same narrow group attending. The survey forms say education and networking are the most valuable aspects of trade events. Yet the same firms with executives who sit on the boards of the produce organizations that hold these educational, networking-rich events have no room in their budgets for the time and travel for their people to actually attend these events. Some even have policies which prohibit buyers from having

lunch with suppliers.

If we are serious about developing the next generation of produce managers and leaders, we cannot deprive them of the networking and educational experiences. Good help is hard to find, and harder to make. If we continue to live in an industry where there are no resources committed for education and one can be fired for networking, good help will neither be recruited, developed, nor retained.

pb

**What should
be our focus:
recruitment,
development
or retention?**

John Pandol is in charge of special projects and Mexican sourcing for Pandol Brothers Co., Delano, CA.



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Fruit Logistica Provides Venue For European Sales

Held February 4-6, 2009 in Berlin, Germany, Fruit Logistica, has evolved into a critical forum for reaching the European market that has become increasingly important for a number of growers and shippers throughout the United States.

Below is an investigation of the preparation and marketing methods used by several American produce companies at Fruit Logistica 2009, and the positive international results generated by their appearance at the show.

BARD VALLEY MEDJOOL DATE GROWERS

After 30 years of trading with Europe, David Nelson, vice president, Bard Valley Medjool Date Growers, Bard, CA, says Europe has become a critical market as its population tends to consume more dates than others. "They also consume very high-quality dates, and the Medjool is a very high-quality date."

At this year's Fruit Logistica, Bard Valley Growers want to make new contacts and hope to "meet most of our European customers," adds Nelson. "It's a pretty large draw. Plus, that's where our competition is, and we go where our competition is."

CHELAN FRESH MARKETING

Chelan Fresh Marketing, Chelan, WA wants to heighten its already longstanding presence. "Chelan Fresh has sold to Europe for going on five years now," reports Mac Riggan, salesman. "Prior to the formation of Chelan Fresh, the marketing companies that merged to create Chelan Fresh had been doing business with Europe since the 1930s."

An increased demand for Washington apples has provided a key chance for Chelan Fresh to increase sales in Europe. The weakened dollar hasn't negatively affected the company, nor has increased economic development in Eastern Europe.

CRANBERRY MARKETING COMMITTEE

The Cranberry Marketing Committee, Wareham, MA, began its European promotional efforts in 1999 in Fruit Logistica's home country of Germany, states executive director David Farrimond. The committee's efforts have helped drive the significant growth in European exports that cranberries have enjoyed.

"In 1999, the cranberry industry was basically exporting a little less than 10 percent of cranberries produced in the United States," Farrimond points out. "Last year, it was up to 27 percent."

Since it began European promotions in Germany, the Cranberry Marketing Committee has expanded efforts throughout Europe. "Many European markets have been added — two since August — the Czech Republic and Poland," says Farrimond.

DOVEX

For Wenatchee, WA-based Dovex, Fruit Logistica and the European market are particularly critical. Established in 1982 to meet overseas demand for a year-round supply of apples, Dovex has grown from moving a modest 250,000 cartons in 1982 to more than 6 million cartons of apples, pears, organics, cherries and stone fruits today. Organics have developed as a particular specialty. "We see Europe as a potential market for our organics," states André Schenk, director of international marketing.

In Europe since inception, the company's operation to the continent has lately focused on organic apples and pears. The Dovex strategy, emphasizing a segment on which consumers have demonstrated a willingness to pay higher prices, helps mitigate exchange rate influences, Schenk notes. At the same time, differences in preferences between consumers in Europe and

North America make European markets especially attractive. At Fruit Logistica, Dovex will look for new partners who can form a pipeline for a particular part of its inventory. "Europe is a good market and they consume smaller size fruit, becoming a good option to ship part of our manifest," Schenk says.

PEAR BUREAU NORTHWEST

For Portland, OR-based Pear Bureau Northwest (PBN), Western Russia, Germany, Sweden and the United Kingdom represent the best marketing opportunities in Europe, according to Jeff Correa, international marketing director. "Russia is one of the industry's largest growth

markets and has recently emerged as the industry's fourth-leading destination for USA Pears," he says. "Germany and Sweden [have a] long history of being top export destinations for USA Pears."

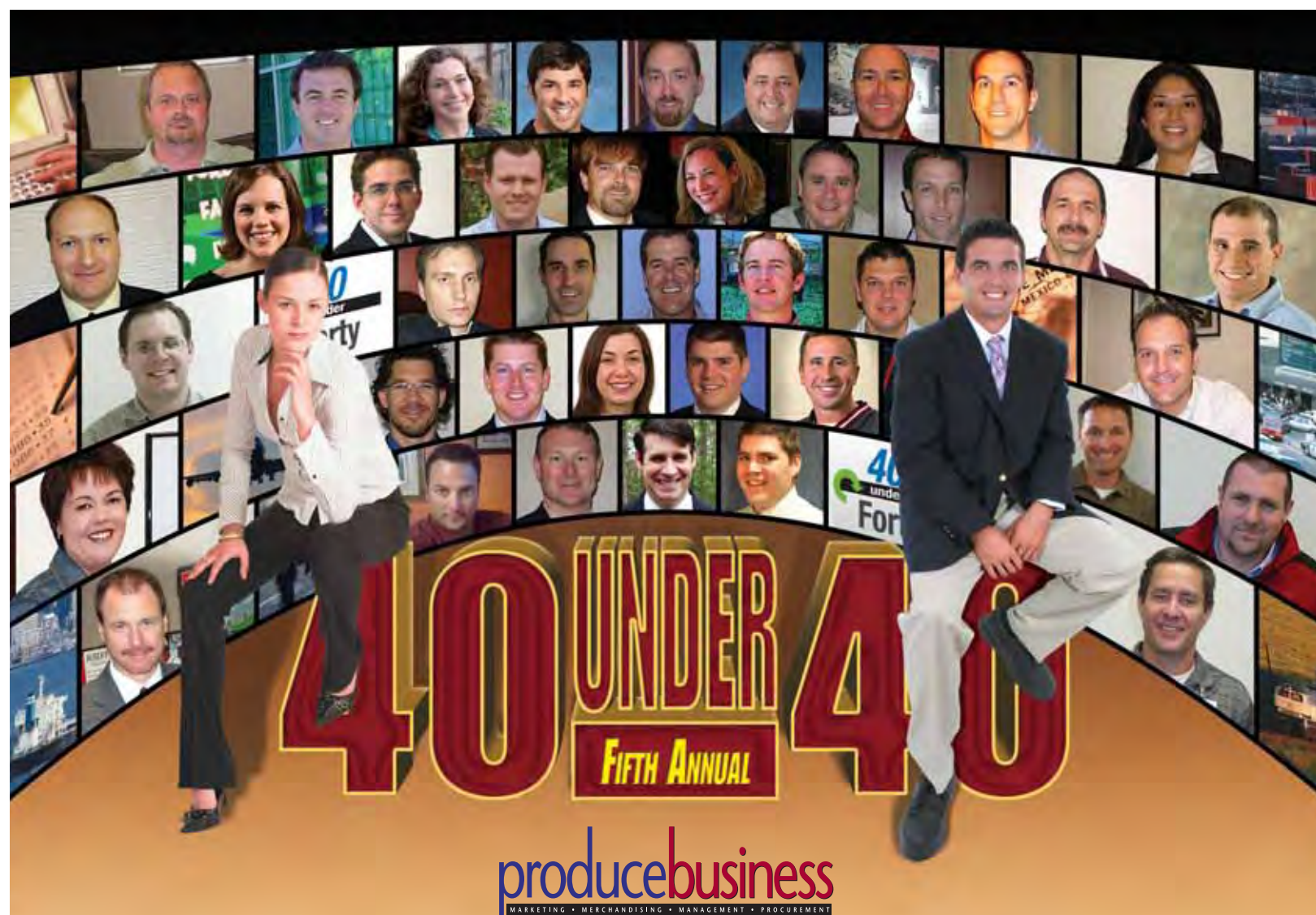
U.S. pear growers have shipped pears to Germany and Sweden for more than 50 years, Correa notes. The Green Anjou is the most widely exported variety to major European markets, but consumer acceptance of the Red Anjou variety is increasing, particularly in Sweden and Germany.

WASHINGTON APPLE COMMISSION

The Washington Apple Commission (WAC), Wenatchee, WA, attends Fruit Logistica to support the efforts of shippers from the United States. "There are opportunities in Europe, but Fruit Logistica has become an international event with folks from all over the world," reports Rebecca Baerveldt, export manager. "So it's important to be there."

In terms of developing new markets for Washington apples, "We've got our eye on a few locales in Poland," states Baerveldt. "It is a major apple producer, but we also think there is some opportunity in former Soviet-sphere countries for high-quality fruit." **pb**

Fruit Logistica allows American produce companies to promote their products, make contacts and keep an eye on their competition.



PRODUCE BUSINESS is accepting nominations for its Fifth Annual 40 Under Forty Project, which recognizes the produce industry's top young leaders.

Honorees will be selected based on their professional accomplishments, demonstrated leadership and industry/community contributions. To be eligible, nominees must be under the age of 40 as of January 1 (People born after January 1, 1969).

To nominate someone, please fill out this form by March 1, 2009, and fax back to 561-994-1610.

Once nominated, the candidate will receive forms from us to fill out asking for detailed information. A candidate only needs to be nominated one time. Multiple nominations will have no bearing on selection.

ABOUT THE NOMINEE:

First Name _____ Last Name _____
 Approximate Age _____
 Company _____
 Position _____
 Address _____
 City _____ State _____ Postal Code _____
 Country _____
 Phone _____ Fax _____
 E-mail _____

In 100 words or less, describe why this person should be nominated:
 (You can use a separate sheet for this)

Nominee's Professional Achievements:

Nominee's Industry/Community/Charitable Activities:

ABOUT THE NOMINATOR:

First Name _____ Last Name _____
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Nominator information is for our use only and will not be shared with candidate or have a bearing on selection.

For more information email: info@producebusiness.com

Blast from the Past

Though many years have passed since the days when Al Harrison, founder of Al Harrison Co., a Nogales, AZ-based produce distributor, would fly to northern Mexico and bring back watermelons, corn and cherry tomatoes for distribution in the western United States and Canada, much about the business remains the same — namely the importance of family.

Harrison started his career in the produce industry in 1938, when he and his brother, Bob, opened a wholesale produce operation in southern California. The photos, taken in the early 1960s, show Harrison distributing boxes of Si Señor brand Peacock watermelons in Guaymas, Sonora, Mexico. Before Al Harrison's death in 1984, he taught Brent, and Brent's father, Tom — who retired from the business in 2005 — a few lessons. "During the season, you can never get sick, get married or go on vacation," says Brent. "You're basically stuck out there. But hard work pays off."

Today, Al Harrison Co., which still carries Al's nickname of "The Watermelon King," continues to specialize in watermelons along with honeydews, green bell peppers, pumpkins, cucumbers, zucchini and an assortment of squash varieties.

The *Blast from the Past* is a regular feature of *PRODUCE BUSINESS*. We welcome submissions of your old photos, labels or advertisements along with suggested captions. Please send materials to: Editor, *PRODUCE BUSINESS*, P.O. Box 810425, Boca Raton, FL 33481-0425, or e-mail info@producebusiness.com



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COMPANY	PAGE #	RS#	PHONE	FAX
Albert's Organics	63	14	800-996-0004	610-444-0316
Apache Produce / Melones International	42	27	520-281-2282	520-761-1829
Associated Potato Growers, Inc.	58	55	800-437-4685	701-746-5767
Maurice A. Auerbach, Inc.	70	54	201-807-9292	201-807-9596
Awe Sum Organics, Inc.	63	11	831-462-2244	831-462-2552
Basciani Foods, Inc.	76	64	610-268-3044	610-268-2194
Blue Book Services	83	38	630-668-3500	630-668-0303
Morris Brown & Sons Co. Inc.	51	24	416-259-7619	416-259-7082
C&D Fruit & Vegetable Co., Inc.	35	79	800-899-9175	941-747-8895
California Leafy Greens Marketing	21	8	916-441-1240	
Canadian Produce Marketing Association	25	53	613-226-4187	613-226-2984
Capital City Fruit Co., Inc.	29	16	515-981-5111	515-981-4564
Champ's Mushrooms	76	86	866-Champs1	604-607-0787
L. Cherrick Horseradish Co., Inc.	58	85	314-421-5431	314-421-3277
Chilean Avocado Importers Association	19	65	202-626-0560	
Christopher Ranch	70	45	408-847-1100	408-847-0581
Christopher Ranch	63	46	408-847-1100	408-847-0581
Ciruli Brothers	67	6	520-281-9696	520-281-1473
Country Fresh Mushroom Co.	77	20	610-268-3043	610-268-0479
D'Arrigo Bros. Co. of New York	17	62	800-223-8080	718-960-0544
Del Monte Fresh Produce	92	74	800-950-3683	305-520-8495
Dole Fresh Fruit Company	2	39	818-879-6600	818-879-6628
dProduce Man Software	51	43	888-PRODMAN	650-712-9973
Duda Farm Fresh Foods, Inc.	75	50	561-978-5714	561-978-5705
Earthbound Farm	63	83	888-624-1004	831-623-7886
East Coast Brokers & Packers, Inc.	91	52	800-557-7751	863-869-9850
Eurofresh Farms, Ltd.	43	81	520-384-4621	520-384-4187
European Flavors/CSO	9	75	39-0532-904511	39-0532-904520
Florida Department of Agriculture	33	17	850-488-4303	850-922-0374
Fresh Partners AB	80	36	46-8-742-1215	46-8-742-6201
Fresh Taste Produce Limited Canada	47	48	416-255-2361	416-255-8742
Friedman & Broussard Produce, Inc.	60	66	888-242-7297	985-646-2302
Gambles Ontario Produce, Inc.	52	29	416-259-6391	416-259-4392
Garber Farms	60	80	337-824-6328	337-824-2676
Giorgio Fresh Co.	78	40	800-330-5711	610-429-3810
Global Organic Specialty Source	63	30	877-952-1198	941-358-6551
Grower Alliance, LLC	45	42	520-761-1921	520-377-9189
Al Harrison Co. Dist.	45	44	520-281-1222	520-281-1104
Herb Thyme Farms	64	67	831-476-9733	831-476-3710
HydroSere Mirabel, Inc.	40	34	888-868-6060	450-475-6884
Idaho Potato Commission	59	57	208-334-2350	208-334-2274
Inline Plastics Corp.	20	1	800-826-5567	203-924-0370
International Herbs, Ltd.	65	61	604-576-2345	604-574-3689

COMPANY	PAGE #	RS#	PHONE	FAX
Ippolito Produce	49	5	416-252-8809	416-252-0710
J.R. Kelly Company	29	7	888-344-4392	618-344-2297
Kern Ridge Growers, LLC	65	68	661-854-3156	661-854-2832
L&M Companies, Inc.	34	69	509-698-3881	509-698-3922
Lakeside Hot House Ltd.	44	72	519-322-1959	519-322-2964
Lakeside Organic Gardens	64	10	831-761-8797	831-728-1104
Lisa Inc.	45	22	520-281-1863	520-281-2848
Maine Potato Board	61	56	207-769-5061	207-764-4148
Mann Packing Company, Inc.	11	60	800-884-6266	831-422-5171
J. Marchini & Son / LeGrand	65	76	559-665-9710	559-665-9714
The Marketsol Group, LLC	68	63	956-782-9933	956-782-9938
Mastronardi Produce, Ltd.	41	70	519-326-1491	519-326-8799
Miatech	58	84	800-339-5234	503-659-2204
Mirabel	40	34	888-868-6060	450-475-6884
MIXTEC Group	28	18	626-440-7077	626-440-1557
MJB Sales, Inc.	77	2	610-268-0444	610-268-0837
Monterey Mushrooms	77	9	573-374-1826	831-763-2300
Mother Earth	65	15	610-869-7211	610-869-4729
N&W Farms	60	59	662-682-7961	662-682-7998
National Mango Board	69	77	877-MANGOS-1	407-629-7593
New Harvest Organics, LLC	64	26	520-281-0231	520-281-0237
Northern Plains Potato Growers Assn.	62	51	218-773-3633	218-773-6227
P.E.I. Potato Board	61	12	902-892-6551	902-566-4914
Pacific Organic Produce	65	28	415-673-5555	415-673-5585
PMA Foundation for Industry Talent	37	73	302-738-7100	302-731-2409
Premium Produce Distributors, Inc.	45	35	520-281-9191	520-281-0910
Produce for Better Health Foundation	87	37	302-235-2329	302-235-5555
Rene Produce Distributors, Inc.	45	23	520-281-9206	520-281-2933
Saven/OSO Sweet	28	21	231-946-9696	231-946-1420
O. C. Schulz & Sons, Inc.	61	13	701-657-2152	701-657-2425
Silver Creek Software	72-73	47	208-388-4555	208-322-3510
Spice World, Inc.	70	58	800-433-4979	407-857-7171
Stemilt Growers, Inc.	65	78	509-662-9667	509-663-2914
Stemilt Growers, Inc.	31		509-662-9667	509-663-2914
Stronach & Sons, Inc.	51	33	416-259-5085	416-252-0110
Tanimura & Antle, Inc.	5	49	800-772-4542	831-455-3915
Tepeyac Produce, Inc.	45	32	520-281-9081	520-281-9732
Uncle Matt's Organic	65	82	866-626-4613	352-394-1003
United Fresh Produce Association	71	4	202-303-3400	202-303-3433
Veg-Pak Produce, Ltd.	48	25	416-259-4686	416-259-4677
Virginia-Carolina Peanut Promotions	80	31	252-459-9977	252-459-7396
Well-Pict Berries	7	3	831-722-3871	831-722-6340
Williamson Produce, Inc.	60	71	800-726-8899	252-291-6791

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ROUND TOMATOES, VINE-RIPES, ROMAS, AND GRAPE TOMATOES

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800-557-7751 OR 863-425-3500 • FAX: 863-869-9850

They shop in your store



*W*e know who they are. Live in the city, pop culture iconoclasts. Teenage kids, play video games and listen to their iPods. Everyone has a cell phone. HH size 4+, income \$70,000+. Very concerned about the environment, enjoy spending time outdoors, and eating well - lots of fruits and vegetables, low sodium, low fat.

*W*e have what it takes to reach and motivate them. The brand, the products, the programs, value added services, and category management tools that build sales.



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To find out how you can put our marketing tools to work for you, contact your Del Monte representative at 1.800.950.3683 or visit www.freshdelmonte.com